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TODAY: MONEY Dogs of the Dow, Page 16

EMU Talk Lifts U.K. Stocks 3.2% To a Record

Prospect of Joining Common Currency Sparks a Market Rally

By Tom Buerkle
International Herald Tribune

LONDON — The swelling tide of belief that Britain will participate in a single European currency unleashed a flood of money on London's financial markets Friday that drove stock prices to record highs, sent bond prices soaring and caused the pound to plummet.

The impetus was a newspaper article that quoted an unidentified cabinet minister as saying that the government of Prime Minister Tony Blair was preparing to signal its readiness to join Europe's economic and monetary union shortly after the scheduled 1999 launch date.

A spokeswoman for Mr. Blair called the article in the Financial Times "pure speculation." She said the government continued to believe that Britain was unlikely to enter a single currency in 1999, but needed to keep its options open thereafter.

The market was ripe for a catalyst, however, because recent signs of a government warming toward the euro have raised expectations that Mr. Blair is about to signal a more positive stance. This has contributed to a sharp drop in the pound and British interest rates in recent weeks.

Participation in monetary union would require British interest rates to fall sharply and approach the low levels prevailing in Germany, the standard-setter for countries entering the euro zone. Most analysts also say Britain will seek to enter monetary union with the pound at a sharply lower rate to guarantee the country's competitiveness.

"What we do know is EMU is back on the agenda; they want to do it," said Steven Bell, chief economist at Deutsche Morgan Grenfell. "The bigger picture is the pound's going down."

The biggest impact was felt in the stock market, because a lower exchange rate and lower interest rates would only add fuel to Britain's booming economy.

The FTSE-100 index surged 160.8 points, or 3.2 percent, to a record 5,226.3. It was the biggest one-day point rise ever and, intriguingly, the biggest in percentage terms since a 4.4 percent surge on Sept. 17, 1992.

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Reuters

A rescuer removing a dog from a house destroyed Friday in Foligno, Italy. The bell tower of the the town's Romanesque cathedral collapsed.

Assisi Basilica Damaged In Double Earthquake

Tremors From Rome to Venice; Casualties Include 10 Dead

By Celestine Bohlen
New York Times Service

ROME — Two earthquakes hit central Italy with a one-two punch on Friday, killing at least 10 people, toppling stone houses and medieval bell towers and sending parts of the vaulted inner roof of the renowned 13th-century basilica of St. Francis of Assisi crashing to the ground.

The second earthquake, which registered 5.7 on the open-ended Richter scale at 11:42 A.M., sent shivers up and down the Italian peninsula, causing the destruction at Assisi, a hilltop town in the region of Umbria and one of the most visited of Italy's many Roman Catholic shrines.

Two Franciscan friars and two surveyors from the Culture Ministry, who were inside the basilica to assess damage from the day's first earthquake, were killed by the falling rubble, which piled up three meters high (10 feet).

The first earthquake, which was slightly less powerful, struck at 2.33 A.M., claiming several victims, including an elderly couple in the tiny community of Collecurti who were killed in their beds.

The first quake caused extensive damage and dozens of injuries in the villages and hamlets strung along the hills of the rugged Apennine range. The region — one of Italy's most beautiful, both for its nature and its artistic heritage — is a popular weekend retreat, and many vacation houses were empty.

By late Friday, rescue workers were still trying to determine the extent of the damage as Prime Minister Romano Prodi flew in for an inspection tour.

Speaking in Foligno, he called the damage and the human suffering "very serious," and said the government was setting aside an initial emergency fund of 50 billion lire ($29 million).

Some roads were closed, telephone service was interrupted in some areas, and schools, hospitals and offices were evacuated; tent cities and campers, with a total of 9,000 beds, were made available for those forced out of their homes.

The two quakes, and a series of minor tremors that came between them, were the most serious to hit Italy since the devastating earthquake of 1980 that registered 6.8 on the Richter scale and killed 2,570 people east of Naples.

Assisi itself has experienced 22 minor earthquakes since 1349, of which the last was in 1984 — a reminder of the extent to which the entire Apennine range, which runs down the middle of Italy, is subject to seismic activity.

The first quake Friday, with an epicenter in the Marche region to the east of Umbria, caused damage in Assisi, a town of 5,000 inhabitants that receives millions of pilgrims each year.

By midmorning, a team of about 20 people, including journalists, town officials, cultural experts and members of the local Franciscan congregation, were inspecting the upper basilica when a new tremor struck, and parts of the ceiling came crashing down on them.

"We were examining the damage

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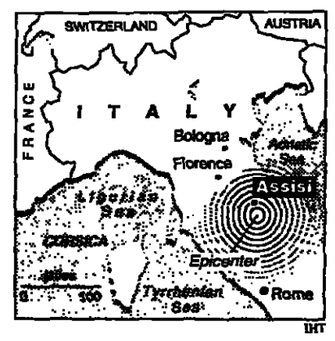

Airbus Crash On Sumatra Kills 234

Smoke Around Airport Had Lowered Visibility

By Seth Mydans
New York Times Service

JAKARTA — An Indonesian Airbus on a domestic flight crashed Friday as it approached an airport in an area where thick smoke from forest fires has cut visibility.

All 222 passengers and 12 crew members were killed, officials said.

Witnesses at Medan in northern Sumatra, where the accident occurred, said the Airbus A300 B-4 exploded into flames as it crashed. It was Indonesia's worst air disaster.

The official Antara press agency reported that there were at least eight foreigners aboard flight GA-152 from Jakarta, including two Americans and six Japanese.

There was no official word on the cause of the crash, but a thick blanket of smoke from hundreds of forest fires in Indonesia has spread through the region and caused the closure of a number of airports.

"Weather conditions were O.K. for landing, but there was smoke and haze around Medan at the time," said Communications Minister Haryanto Dhanutirto.

The airport was closed after the crash because of poor visibility.

Supandi, the president of Garuda, the national airlines, said that visibility was about one-half of a kilometer at the time of the crash, at 1:55 P.M.

Witnesses said the aircraft was flying low in the smoky haze in a hilly area 20 miles from Medan when it hit a tree and crashed into a ravine, shattering into pieces.

Rescue helicopters were prevented by the thick smoke from flying to the crash site, the witnesses said.

[Reuters quoted a local journalist

See CRASH, Page 5

Kohl Is Left Exposed as Rivals Bury Tax Plan

By John Schmid
International Herald Tribune

FRANKFURT — Chancellor Helmut Kohl's final efforts to overhaul the German tax system collapsed Friday, opening the government to accusations that it is politically paralyzed and burying what many experts saw as the best hope for the nation's record 4 million unemployed.

The failure of tax reform, Mr. Kohl's top domestic political priority, leaves him with little to show voters one year ahead of Germany's national election.

Five hours of negotiations in a parliamentary mediation committee between Mr. Kohl's allies and opposition leaders ended in the early hours Friday without compromise, bringing an end to Mr. Kohl's yearlong drive to cut 30 billion Deutsche marks ($16 billion) in taxes as an incentive to kindle spending.

The plan would have lowered the steep tax rates that have driven jobs abroad and eliminated a tangled array of loopholes that divert potentially productive capital into unproductive tax shelters.

Mr. Kohl lashed out at the opposition Social Democrats, accusing them of blocking reforms that are vital for Germany to keep pace in the age of globalization.

Politicians and economists warned that the gridlock has damaged Germany's international reputation. They concurred that Germany had no chance of carrying out any serious tax or welfare reforms before 2000 at the earliest.

"The big disadvantage is that tax reforms will only be able to be addressed after the election," Mr. Kohl said in Berlin. "That means we are looking at Jan. 1, 2000. That is a big, big disadvantage."

The Frankfurter Allgemeine Zeitung, in a front-page editorial, asked: "What is the matter with the Germans? Have they lost their envied aptitude to bring about growth, prosperity and social peace?"

Norbert Walter, chief economist at Deutsche Bank AG, said in a radio program, "Once again, a country with four-and-a-half million unemployed is wasting two years of precious time."

The demise of tax reform elevated political paralysis into a dominant issue in the election scheduled for Sept. 27 next year. Mr. Kohl, who diluted his plan for months in an effort to reach a compromise, will use

See GERMANY, Page 5

Despite Protests, Yeltsin Signs Curb on Religions

By Daniel Williams
Washington Post Service

MOSCOW — Sweeping aside objections from U.S. officials and human-rights critics, President Boris Yeltsin signed into law Friday a bill that restricts religious practices in Russia.

The law in effect overturns Russia's constitutional guarantee that all religions are equal.

Russian Orthodoxy is listed as first among "traditional" religions, including Buddhism, Islam, Judaism and Christianity. Despite the inclusion of these groups, those branches that were not registered officially 15 years ago now face complicated bureaucratic requirements to legalize themselves.

The limitations will affect use of property, tax relief, public assembly and the ability of foreign missionaries to recruit converts. Mr. Yeltsin's action followed a last-minute appeal this week from Vice President Al Gore for him to reject the measure. Although the U.S. Senate has threatened to cut off aid over the bill, Russian legislators urged Mr. Yeltsin to stand up to what was denounced as Washington's meddling.

The Kremlin issued only a terse announcement of Mr. Yeltsin's signing, which was no real surprise. Kremlin officials who helped draft the law, a version of a measure that Mr. Yeltsin vetoed in the summer, said it "did not contradict either the constitution or international obligations."

The law was supported not only by ardent nationalists and Communist members of the legislature but also by most backers of the Yeltsin government.

The Russian Orthodox Church threw its considerable weight behind the measure on the grounds that foreign religions are dangerous for the mental health of Russia. Patriarch Alexi II compared the threat to NATO's expansion to Russia's borders.

In most pronouncements in favor of the bill, church officials focused on a

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Agence France-Presse

TIGHT FIGHT — Sweden's Jesper Parnevic sinking a putt Friday at the Ryder Cup in Spain. Europe is even with the United States. Page 18.

AGENDA

Bosnian Serb Gets Life for Massacres

A Bosnian Serb was convicted Friday of war crimes in a German court and was sentenced to life in prison.

Nikola Jorgic, 50, was found guilty in Duesseldorf of 11 counts of genocide and 30 counts of murder.

He had led a death squad that carried out "ethnic cleansing" of Bosnian Muslims in an attempt to create a "Greater Serbia" by storming through Muslim villages and machine-gunning the inhabitants.

German prosecutors are investigating 48 other people for war crimes in the former Yugoslavia. Page 2.

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The IHT on-line www.iht.com

Burmese Junta Will Let Opposition Hold a Party Congress

Burma's military rulers granted permission Friday to the political party of the opposition leader Daw Aung San Suu Kyi to hold a congress this weekend, easing fears of mass arrests like those that followed earlier rallies.

About 300 people will be allowed to gather at her lakeside compound on the condition that they meet "in a peaceful and orderly manner," the governing State Law and Order Restoration Council said. Permission for the congress was the council's second overture in a week toward the National League for Democracy. Page 4.

On Borneo, Anger at Lack Of Haze Help

By Thomas Fuller
Special to the Herald Tribune

KUCHING, Malaysia — The island of Borneo, with its millions of acres of rain forest, has long been touted in promotional brochures and tourist guidebooks as the lungs of the earth.

But with Borneo now choking in haze — and thousands of residents sick from the pollution — officials on the Malaysian side of the island are increasingly angry and frustrated. The world is only watching, they say, as Borneo burns.

"The environmentalists talk so much when we cut down trees. Where are they now?" asked George Chan Hong Nam, deputy chief minister in the state of Sarawak, charging Friday that environmentalists did not seem concerned that forests were being destroyed. He spoke as officials struggled to understand the dimensions of the environmental and health crisis they face from fires burning out of control in neighboring Indonesia.

The frustration level among some Malaysian officials rose earlier this week when, they say, a reconnaissance team of fire experts sent by boat from the state of Sabah to try to pinpoint the fires south of the border was turned back.

"When there is an earthquake in Los Angeles or in Kobe, the whole world comes to the rescue and most of the people are already dead," said Hamid Bugo, an undersecretary in Sarawak's

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The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.7588	1.7595
Pound	1.6092	1.6285
Yen	121.225	120.825
FF	5.9055	5.9145

The Dow		
	Friday close	previous close
+74.17	7922.18	7848.01

S&P 500		
change	Friday @ 4 P.M.	previous close
+7.27	945.20	937.93

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,800 CFA	Qatar	10.00 QR
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

IRS Issues Apology for Abuses by Tax Collectors

By John M. Broder
New York Times Service

WASHINGTON — The acting commissioner of the Internal Revenue Service has issued an extraordinary public apology to four individual taxpayers — and, by extension, to all American taxpayers — for severe mistreatment at the hands of agency officials.

The official, Michael Dolan, also promised immediate changes to eliminate incentives for misconduct and make the IRS more responsive to public complaints.

At the conclusion of three days of hearings on IRS abuses before the Senate Finance Committee, Mr. Dolan said Thursday that he was deeply troubled by the charges leveled against the tax agency this week by taxpayers, current and former IRS officials and outside watchdogs.

Thursday's session featured testimony from five current IRS agents and one former agent, their identities concealed by fabric-covered screens and their voices electronically altered. Their testimony included the following allegations:

- Agency workers browse through tax returns to snoop into the finances of celebrities, relatives and prospective dates.
- IRS agents are judged by their total tax collections, no matter how poorly documented.
- Managers cover up abusive behavior by collection agents.
- Revenue officers consider all tax debtors "crooks or flakes" who deserve no sympathy.

Earlier in the week, in emotional testimony from four taxpayers, the panel heard from a retired priest who had wrongly been billed for $18,000 in taxes from his mother's estate and from a California woman who went through a 17-year nightmare with the agency that arose from a mix-up over her husband's identity.

The hearings were the first formal oversight of the tax agency ever conducted by the Finance Committee, which has nominal supervisory authority over the IRS.

Mr. Dolan said the agency had programs to prevent harassment of taxpayers and abusive collection efforts, but he acknowledged that in the cases presented to the Senate, and perhaps in many others, internal controls had broken down.

"While each case was different, the end result is indisputable," Mr. Dolan said. "We were wrong in the way that we handled many aspects of their cases. I fully appreciate that an apology is little consolation

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For Ireland's Presidential Election, No Men Need Apply

By James F. Clarity
New York Times Service

DUBLIN — Ireland, where women have traditionally been relegated to second-rate status, finds itself in the middle of a presidential campaign in which all four candidates are women.

A few weeks ago, the most likely candidates for the election, on Oct. 30, seemed to be prominent men. But John Hume, the moderate Roman Catholic political leader in Northern Ireland who had been offered the support of all major political parties in the Irish Republic, decided not to run. Then last week, a former prime minister, Albert Reynolds, was rejected by his own Fianna Fail Party.

The candidates are seeking to succeed Mary Robinson, who decided not to run for a second seven-year term and became the United Nations' high commissioner for refugees.

Mrs. Robinson was the first woman elected to the presidency, a largely ceremonial office. But her high-profile presidency, in which she traveled abroad frequently and gave Ireland a new and articulate image, helped encourage women to enter politics. Her presidency also convinced leaders of the male-dominated establishment that nominating a woman was the way to win the presidency.

In rapid succession, the largest party in the country, Fianna Fail, nominated Mary McAleese, 45, an educator; Fine Gael, the major opposition party, nominated Mary Banotti, 58, a member of the European Parliament since 1984; the Labor Party nominated Adi Roche, 42, a prominent environmentalist, and Rosemary Scallon, an entertainer known as Dana, who lives in Alabama, entered as an independent.

The country's surprise at the all-woman campaign was reflected in the words of Robert O'Donnell, 10, son of Deputy Foreign Minister Liz O'Donnell. "Aren't there any elections for daddies?" she quoted him as saying.

Garret FitzGerald, a former prime minister, said: "Clearly, a lot of men are very shocked at the effective exclusion of their sex from this contest — to the amusement of women, whose gender has until recently been equally effective in excluding them from many positions of power and influence."

Fintan O'Toole, a columnist for The Irish Times, wrote of the political parties: "They knew the public wanted something else, something that, almost by definition, they themselves could not supply: an articulation of the sense of social belonging that underlies but often eludes the parliamentary system itself. They were like vegetarians dreaming up dishes for carnivores, forced to offer choices that they could not themselves consume."

People calling radio talk shows have generally approved of the contest. But some angry callers asked why the country should have to consider two women born in the British province of Northern Ireland — Ms. McAleese and Ms. Scallon.

A few men have called to say, in effect, that a woman's situation in Ireland should remain what it had been for centuries: barefoot, pregnant and in the kitchen.

The first national poll, published in The Sunday Independent this week, indicated that the front-runner was Ms. Roche, known for her work for victims of the Chernobyl nuclear disaster, who received 38 percent of the preferences cast in the poll.

The result is difficult to calculate because voters cast first and second preference ballots. The second preference ballots can provide the margin of victory, as they did in the 1990 election for Mrs. Robinson, who finished second in the first-ballot count.

Ms. Roche also was the target of the first attack of the campaign.

A report in The Sunday Tribune said 13 of her former staff members in the Chernobyl Children's project considered her arbitrary and a bully. Ms. Roche said she hoped that a "personal vendetta" would not lead to a "slanging match."

She added, in an interview on Irish national radio: "I can be tough. I wasn't really the angel of Chernobyl. Nobody is a living saint."

Ms. McAleese, a vice chancellor at Queens University in Belfast, is known for her devout Roman Catholicism and her opposition to divorce and to abortion.

Ms. Scallon, who won the Eurovision singing contest in 1970 and who works on a Christian radio program in Alabama, is also known for strong anti-abortion views.

Ms. Banotti is known as a dedicated protector of the environment.

Her first campaign promise was that her posters would not be placed on light poles, because doing so produced post-election litter.

Bosnian Serb Gets Life In Massacre of Muslims

By William Drozdiak
Washington Post Service

BERLIN — A Bosnian Serb was convicted by a German court of war crimes on Friday and sentenced to life in prison for masterminding a death squad that carried out several massacres of Muslims living in Bosnia.

The Bosnian Serb, Nikola Jorgic, 50, was found guilty by a Duesseldorf court on 11 counts of genocide and 30 counts of murder. He became the first person convicted in Germany of genocidal acts since the postwar Nuremburg trials condemned dozens of German Nazis for their complicity in the Holocaust.

"The accused killed and abused people of his own free will," Judge Guenter Krantz said at the conclusion of the nine-month trial. "It is beyond doubt for this court that the accused was most deeply involved in these terrible events."

German justice authorities had earlier sought to hand Mr. Jorgic over to the United Nations war crimes tribunal for the former Yugoslavia, but the Hague court declared that its case burden was too overwhelming and pleaded for Germany to try war crimes suspects who are captured there.

German prosecutors are investigating 48 other people on charges of genocide and other war crimes in the former Yugoslavia and have issued arrest warrants for five suspects believed to be living in Germany, which over the years has attracted hundreds of thousands of Yugoslav expatriates seeking better living standards or refuge from the war.

Mr. Jorgic emigrated to the Ruhr region of western Germany in 1969, joining the community of Yugoslav "guest workers" enticed by relatively high wages to work in the steel mills and coal mines there. He went back to Bosnia in 1992 after the civil war broke out, and helped carry out mass killings against Muslims in a brutal campaign to carve out a "Greater Serbia."

From May to September of that year, prosecutors said Mr. Jorgic conducted a wave of terror with a group of Serbian nationalists who stormed through Muslim villages, expelling or murdering the inhabitants. He became known as one of the more notorious perpetrators of the "ethnic cleansing" drive to consolidate control over territory held by Bosnian Serbs by purging Muslim residents.

In one infamous incident described in grisly detail by the German prosecutors, Mr. Jorgic and an accomplice opened fire with machine guns on a group of Muslims in the town of Grapska, killing 22 people. After his rampage, Mr. Jorgic returned to Germany and was arrested there in 1995.

Mr. Jorgic denied all of the charges and insisted he was a victim of mistaken identity.

German justice officials said it was likely that the pace of war crimes trials here may accelerate now that the Hague tribunal is asking for national courts to assist in coping with its case load. Another Bosnian Serb was convicted of complicity to murder earlier this year by a Munich court and sentenced to five years in prison.

The Hague tribunal was established by the United Nations in 1993 and has issued public indictments against 78 suspects, mostly Serbs, although only nine are in custody. But to improve the chances of arrest, the chief UN prosecutor, Louise Arbour, declared that future indictments and arrest warrants would be kept under seal.

In July, British peacekeeping troops shot and killed a former Bosnian Serb police chief, Simo Drljaca, after he opened fire on soldiers seeking to arrest him. Another suspect, Milan Kovacevic, a hospital director in Prijedor, where some of the worst incidents of ethnic cleansing took place, was detained and flown to The Hague.

Neither man was ever publicly charged with war crimes, but both of them were believed to be on the Hague tribunal's list of sealed indictments.

During a visit to Sarajevo on Friday, Judge Arbour urged the NATO-led peacekeeping force to become much more aggressive in the effort to arrest and extradite such leading war crimes suspects as the Bosnian Serb leader Radovan Karadzic if the local authorities failed to deliver him and others who have been indicted for trial.

"I think it is scandalous that those who have the responsibility for his arrest at this point continue to fail to discharge that obligation," the Canadian jurist said.

The "primary responsibility" for Mr. Karadzic's arrest, Judge Arbour said, "lies in his government.

"But considering that failure," he said, "I believe that no one is beyond the reach of the whole world, and I believe it is pretty clear that nobody should be beyond the reach of NATO and its allies."

Pietro Aglieri listening Friday in Caltanissetta, Sicily, as the sentences were pronounced. He received life in prison for the killing of the anti-Mafia prosecutor.

24 Top Mafia Leaders Get Life Prison Terms

Compiled by Our Staff From Dispatches

CALTANISSETTA, Sicily — A court here Friday convicted 24 mobsters — virtually the entire ruling council of the Cosa Nostra — and sentenced them to life imprisonment for the 1992 Sicilian highway bombing that killed Italy's top anti-Mafia prosecutor.

Among those receiving Italy's stiffest criminal penalty was Salvatore (Toto) Riina, the Mafia's reputed "boss of bosses," who allegedly plotted the assassination of the prosecutor, Giovanni Falcone.

Killed along with Mr. Falcone was his wife, herself a magistrate, and three of his police bodyguards. The five died when about 500 kilograms of explosives planted on the autoroute near the Palermo airport blew up as their convoy went by.

The bomb attack galvanized anti-Mafia sentiment and prompted an even stiffer state crackdown.

Among significant strikes in the months after the bombing was the arrest in 1993 of Mr. Riina, after 24 years as a fugitive, in Palermo.

The capture of other longtime fugitives soon followed, and several of those who had long been on the run were among those convicted by the court in Caltanissetta.

Investigators contend that the imprisoned bosses still exercise much control from behind bars, but other longtime fugitives reputedly wield power, including Bernardo Provenzano, who was one of two bosses convicted in his absence Friday.

The defendants in the trial, which began Feb. 21, 1995, included men described by prosecutors as the most ruthless Mafia leaders in recent decades.

Six defendants received lesser sentences of up to 26 years.

Of the 41 original defendants, nine were acquitted. Two others died in prison after the trial began.

The life sentences were imposed on virtually the entire *cupola*, or ruling commission, of the Cosa Nostra, including former Benedetto (Nitto) Santapaola, Leoluca Bagarella and Mr. Provenzano. Only one of the bosses, Pietro Aglieri, was present in the heavily fortified courtroom to hear his sentence pronounced. Defense lawyers said they would appeal the verdicts. *(AP, Reuters)*

TRAVEL UPDATE

Germany Ends Lufthansa Probe

FRANKFURT (AFP) — Germany's fair trade office announced Friday that it had suspended an inquiry into the frequent flyer program operated by the national airline Lufthansa.

It said the company had agreed to put into effect two measures proposed by the office "to eliminate the discriminatory nature" of the program Miles and More."

Frequent flyer programs offer free air miles for loyal customers. Taking the bonus into account can reduce the price of a ticket to well below that offered by rival companies.

Phnom Penh Embassies on Alert

PHNOM PENH (Reuters) — The U.S. Embassy in Phnom Penh warned Americans on Friday to exercise caution and avoid places where military and security units were based.

The warning was issued as rumors swirled in the Cambodian capital of rifts in the Cambodian People's Party of Prime Minister Hun Sen, diplomats said. Officials at the British and Australian embassies said they were not issuing security warnings to their nationals but were advising embassy guards to be on alert.

The vote on a $23 billion plan for federal transportation aid that New York City has threatened to veto was postponed. The plan includes a request from the Port Authority of New York and New Jersey to begin work on a $1.5 billion train connection from the New York City subway to Kennedy International Airport. The Giuliani administration opposes the rail project because of its design and expense.

A tropical storm, downgraded from a hurricane, blew through desert areas of the southwest United States without the damage that was feared, spilling 2.3 inches (6 centimeters) of rain on Yuma, Arizona. *(AP)*

BRIEFLY

Missiles Dismantled, Chirac Tells Russia

MOSCOW — President Jacques Chirac of France said during a visit to Moscow on Friday that France no longer had any land-based strategic nuclear missiles deployed.

Mr. Chirac said France's 18 land-based missiles had been dismantled since the base was shut down last year due to defense cuts. The missiles had been targeted toward the East.

In Paris in May, President Boris Yeltsin of Russia said at a meeting with NATO that Moscow would stop aiming nuclear missiles at states in the North Atlantic Treaty Organization.

A source in the French delegation said it was the first time France had acknowledged that its missiles had been specifically targeted at other countries, though Mr. Chirac would not specify which ones. *(Reuters)*

Algerian Guerrillas Vow to Attack France

LONDON — The most radical Algerian Islamic group hailed the latest massacres in the North African state as God's work and rejected all talk of a truce in a statement issued here Friday.

It also vowed revenge against France for its aid to Algeria's military-dominated rulers.

A statement in the name of the Armed Islamic Group, said: "We are that band, with God's permission, who kill and slaughter and we will remain so until the word of religion has prevailed and the word of God is raised high."

The statement's authenticity could not be verified independently.

The group has claimed responsibility for a wave of terrorist attacks in France in 1994 and 1995. *(Reuters)*

Nurses to Be Spared?

LONDON — A senior Saudi official said Friday that he expected the controversy over the sentencing of two British nurses charged with the murder of an Australian colleague last December to be resolved without imposing the death penalty or flogging.

The sentencing of Deborah Parry, 38, to death and Lucille McLauchlan, 31, to eight years in jail and 500 lashes has stirred a crisis in British-Saudi relations. The British foreign secretary, Robin Cook, was due to meet his Saudi counterpart, Prince Saud al Faisal, at the United Nations on Friday. *(NYT)*

Cypriot Rivals Meet

NICOSIA — Greek and Turkish Cypriot leaders pledged Friday to carry on their dialogue on security issues after holding talks here that were described by a United Nations mediator as positive and friendly.

President Glafcos Clerides, a Greek Cypriot, and the Turkish Cypriot leader, Rauf Denktash, met at the residence of the UN representative to Cyprus, Gustave Feissel.

The two leaders made no comment after the meeting. But Mr. Feissel said: "It was agreed that I would have separate discussions with each of them with the objective of trying to come up with common views on the issue of security and the objective also of the two leaders' getting back together to consider these very shortly." *(AFP)*

Correction

A New York Times article on William Faulkner published in the Friday issue incorrectly referred to his wartime activities. He served in World War I.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Increasing clouds across the Northeast Sunday, then windy and cool with showers Monday and Tuesday. Sunny and nice across the central and southern Plains, but windy and cool in the Midwest and the northern Plains. Lots of sun and very warm to hot in the West.

Europe Pleasant weather will continue across nearly all of Europe Sunday through Tuesday. London and Paris will have lots of sunshine with comfortably warm afternoons. However, an Atlantic storm will bring gusty winds and rain to Scotland, while soaking rains will continue in Portugal.

Asia Pleasant in Seoul Sunday through Tuesday with some sun and afternoon temperatures in the lower 20s. Tokyo and most of Japan will be partly sunny and cool, but Hokkaido will have showers and a chilly, gusty wind. Sunny and warm in Beijing, but clouds and showers will move in Tuesday.

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	22/71	16/64 r	22/71	15/59 r
Amsterdam	21/70	11/52 s	19/66	13/55 s
Ankara	18/64	4/39 c	19/66	-1/31 pc
Athens	19/66	14/57 pc	24/75	15/59 s
Barcelona	21/70	14/57 s	22/71	15/61 pc
Belgrade	19/66	7/44 pc	19/66	7/44 pc
Berlin	18/64	9/48 s	17/62	9/48 s
Brussels	22/71	12/53 s	22/71	13/55 pc
Budapest	18/64	6/43 pc	17/62	5/41 pc
Copenhagen	16/61	8/46 pc	16/61	9/48 s
Costa Del Sol	23/73	16/64 r	23/73	16/61 r
Dublin	17/62	11/52 pc	19/66	14/57 s
Edinburgh	17/62	9/48 pc	18/64	13/55 pc
Florence	24/75	13/55 s	24/75	13/55 s
Frankfurt	18/64	8/43 pc	17/62	7/44 pc
Geneva	23/73	9/48 s	23/73	13/53 pc
Helsinki	9/48	3/37 pc	12/53	4/39 pc
Istanbul	18/61	11/52 pc	17/62	8/46 pc
Kiev	11/52	5/41 r	10/50	4/39 sh
Las Palmas	23/73	18/64 pc	22/71	18/64 pc
Lisbon	21/70	17/62 c	21/70	16/61 r
London	22/71	13/55 pc	22/71	14/57 s
Madrid	21/70	14/57 r	22/71	12/53 c
Mallorca	26/79	15/59 s	26/79	17/62 c
Milan	25/77	13/55 s	25/77	13/55 s
Moscow	6/43	2/35 r	7/44	-1/31 c
Munich	19/66	8/46 s	18/64	7/44 pc
Nice	24/75	17/62 s	24/75	17/62 s
Oslo	18/61	8/46 s	16/61	9/48 pc
Paris	23/73	12/53 s	22/71	12/53 pc
Prague	17/62	7/44 s	18/61	6/43 pc
Reykjavik	8/48	6/43 sh	13/55	3/37 r
Riga	10/50	5/41 pc	12/53	6/43 pc
Rome	24/75	13/55 s	25/77	14/57 s
St Petersburg	11/52	9/48 r	9/48	5/41 r
Stockholm	11/52	4/39 c	12/53	8/46 pc
Strasbourg	23/73	12/53 s	22/71	12/53 s
Tallinn	9/48	4/39 pc	12/53	8/41 pc
Tunis	19/66	16/61 r	22/71	14/57 r
Venice	23/73	13/55 s	22/71	13/55 pc
Vienna	18/64	8/46 s	17/62	7/44 pc
Warsaw	12/53	3/37 c	12/53	3/37 pc
Zurich	21/70	11/52 s	21/70	11/52 pc

Middle East

Abu Dhabi	43/109	24/75 s	44/111	26/79 s
Beirut	27/80	16/66 pc	22/71	17/62 sh
Cairo	34/93	20/68 t	29/84	18/61 s
Damascus	31/88	11/52 s	24/75	11/52 c
Jerusalem	27/80	13/55 s	22/71	11/52 pc
Luxor	39/102	17/62 s	41/106	18/64 s
Riyadh	41/106	23/73 s	41/106	23/73 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	10/50	3/37 sh	10/50	4/39 pc
Atlanta	27/80	18/64 sh	26/79	17/62 r
Boston	19/66	11/52 s	19/66	14/57 pc
Chicago	26/79	13/55 pc	22/71	12/53 sh
Dallas	33/91	18/64 s	27/80	14/57 pc
Denver	24/75	7/44 pc	18/64	5/41 s
Detroit	24/75	12/53 s	22/71	12/53 sh
Honolulu	30/86	22/71 pc	31/88	23/73 pc
Houston	32/89	18/64 s	30/86	18/61 pc
Los Angeles	36/97	19/66 s	36/97	18/64 s
Miami	31/88	24/75 t	32/89	25/77 t
Minneapolis	27/80	13/55 pc	18/64	9/48 pc
Montreal	17/62	8/46 s	20/71	13/55 pc
Nassau	32/89	24/75 pc	32/89	25/77 pc
New York	22/71	13/56 s	21/70	14/57 pc
Orlando	31/88	23/73 t	31/88	23/73 t
Phoenix	37/98	23/73 s	38/100	21/70 s
San Fran	20/86	16/61 s	23/84	14/57 s
Seattle	18/66	11/52 sh	18/66	11/52 pc
Toronto	19/66	10/50 pc	20/75	12/53 sh
Vancouver	13/66	9/48 sh	17/62	9/48 s
Washington	24/75	14/57 s	22/71	16/61 sh

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	24/75	11/52 pc	26/79	11/52 s
Bali	31/88	20/68 s	31/88	19/66 s
Bangkok	32/89	24/75 r	32/89	24/75 r
Beijing	24/75	12/53 s	28/82	16/61 s
Bombay	29/84	21/70 pc	28/82	21/70 pc
Calcutta	32/89	24/75 r	32/89	23/73 pc
Chiang Mai	29/84	21/70 sh	29/84	21/70 r
Colombo	28/82	23/73 r	28/84	23/73 pc
Hanoi	23/73	21/70 r	27/80	22/71 sh
Ho Chi Minh	31/88	24/75 sh	31/88	23/73 t
Hong Kong	25/77	22/71 sh	25/77	23/73 r
Islamabad	39/100	20/68 s	37/98	21/70 s
Jakarta	33/91	22/71 pc	31/88	22/71 pc
Karachi	34/93	22/71 s	33/91	23/71 s
K Lumpur	32/89	23/73 pc	32/89	23/71 sh
K. Kinabalu	31/88	23/73 sh	30/86	23/73 sh
Manila	32/89	23/73 pc	31/88	23/73 pc
New Delhi	38/100	21/70 s	36/97	21/70 s
Phnom Penh	31/88	24/75 r	30/86	24/75 sh
Phuket	32/89	24/75 r	32/89	24/75 r
Rangoon	29/84	23/73 r	28/82	22/71 r
Seoul	21/70	8/48 pc	21/70	9/48 s
Shanghai	23/73	14/57 pc	22/71	16/61 s
Singapore	31/88	22/71 pc	31/88	21/70 pc
Taipei	23/73	18/66 sh	24/75	22/71 sh
Tokyo	24/75	18/64 pc	22/71	17/62 pc
Vientiane	28/82	19/66 sh	29/84	23/71 sh

Africa

Algiers	30/86	19/66 pc	34/93	21/70 c
Cape Town	21/70	12/53 pc	20/68	9/48 pc
Casablanca	19/66	14/57 sh	19/66	13/55 c
Harare	28/79	9/48 s	28/82	11/52 s
Lagos	29/84	23/73 pc	28/82	23/73 c
Nairobi	30/86	9/48 s	29/84	11/52 s
Tunis	27/80	15/59 s	28/84	18/66 s

Latin America

Buenos Aires	19/66	9/48 c	21/70	9/48 pc
Caracas	31/88	21/70 pc	28/84	22/71 pc
Lima	21/70	17/62 pc	21/70	17/62 pc
Mexico City	24/75	12/53 pc	21/70	13/55 c
Rio deJeneiro	22/71	19/66 sh	26/77	22/71 sh
Santiago	16/61	3/37 c	14/57	1/34 sh

Oceania

Auckland	14/57	14/57 r	16/61	12/53 r
Sydney	24/75	15/55 s	19/66	7/44 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hcs, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Looking South, Bewildered Canada Wonders: 'What's Going On Here?'

By Anthony DePalma
New York Times Service

VANCOUVER, British Columbia — It's always something, though rarely has it ever threatened the peace along the world's longest undefended border or amounted to much more than Canada and the United States getting on each other's nerves.

These days, however, the list of peeves, slights and cross-border squabbles has grown unusually long. And that has left Canadians feeling bruised and bewildered by their closest ally.

Tough new restrictions for crossing the border have Canadians hopping mad. Trade conflicts over milk and magazines have rattled Ottawa. Canadians are profoundly disappointed by the failure of the United States to sign the land mine treaty, a Canadian-led move viewed here as a national accomplishment all but spoiled by American stubbornness.

And then there is the deepening conflict over Pacific salmon, which reached new lows in Canadian eyes when President Bill Clinton recently threatened in a letter to use the might of the United States to retaliate against protesting Canadians.

"What's going on here?" asked The Globe and Mail of Toronto in a front-page analysis of the cross-border lack of bonhomie. Even the normally cautious Canadian Broadcasting Corporation scheduled a sober look at the deteriorating state of relations between Canada and the United States.

Of course, compared with past disagreements over the Vietnam War (Canada opposed it), relations with Cuba (Canada pursues them) and foreign investment (Canada once tried to keep Americans out), current troubles seem like little more than another family feud.

So why are people here so upset?

Diplomats, whose job it is to ensure that small incidents do not grow into big ones, say a certain measure of irritation is inevitable in a long-standing international relationship like that between the two former British colonies in North America.

"When you have a long border like ours," said Georges Rioux, a spokesman at the Canadian Embassy in Washington, "fish cross it, lumber crosses it, people rub elbows and sometimes disagreements happen."

But Stephen Blank, a professor who specializes in Canada-U.S. relations at Pace University in New York, says the current tensions run far deeper.

"Canadians see the United States as a rough neighbor that is likely to get rougher," he said. As the two countries are drawn ever closer by free trade agreements, the $1 billion a day in commerce that crosses the border makes eggs, milk and almost every product or service a potential point of conflict.

And then there is Canada's habitual crisis of self-confidence, which Mr. Blank said is whipped by the "deep uncertainty of Canadians about what is happening to their own country."

Indeed, the recent conflicts all seemed to deepen during the same week that Canada reopened its long-running and ever-painful domestic debate about national unity and the separatist movement in Quebec.

As Quebec leaders were defiantly rejecting the latest peaceful overtures from English-speaking Canada, a surprisingly harsh letter from President Clinton to a senator from Alaska over the salmon issue was made public in Washington.

"I want to assure you that we have made clear to Canada how seriously we view the action against the M/V Malaspina," he wrote, referring to the Alaskan passenger ferry that was blockaded for several days in July by angry Canadian salmon fishermen to protest what they contend is overfishing by Alaskans.

Mr. Clinton then warned that another incident like the blockade would "necessitate our taking appropriate countermeasures."

In some instances, the Canadians seem fired up by their own language. In July, Prime Minister Jean Chretien was caught by an open microphone boasting to European leaders: "I like to stand up to the Americans. It's popular. But you have to be very careful because they're our friends."

The premier of British Columbia, Glen Clark, regularly uses such words as "piracy" and "fish stealing" when referring to the actions of U.S. fishermen who go after salmon that the Canadians say belong to them.

Canadians were deeply disappointed that the United States would not sign the treaty banning land mines.

But that feeling, however strong, was nothing compared with the reaction to a new law that would force Canadians to fill out immigration documents or have a registered "smart card" every time they cross the border beginning next September.

The focus of the new law was tracking noncitizens who cross the Mexican border. But Canadians, who have historically crossed into the United States by the millions without filling out forms, were not specifically exempted.

Congressional leaders assured Canadian officials last year that the new law would not bother most Canadians. But a year has gone by without an amendment introduced.

Last week, in his first official meeting with reporters since becoming the U.S. ambassador to Canada, Gordon Giffin tried to soothe Canadian nerves. "In virtually every instance, we have the same goal in mind," he said. "Sometimes it just takes a little effort to get there."

Saddened and Thwarted, Envoy Is Leaving Nigeria

By Howard W. French
New York Times Service

ABIDJAN, Ivory Coast — When Walter Carrington, a lifelong African specialist, became the American ambassador to Nigeria four years ago, he knew his assignment would not be easy.

From the time of his arrival to his last weeks in the job, before heading to a Harvard University fellowship early next month, Mr. Carrington butted heads with Nigeria's leaders on everything from democracy and human rights to international drug trafficking.

But in "the most surrealistic experience I have had here yet," he said, heavily armed policemen burst into a reception in his honor in Lagos last week, threatened to shoot one speaker and ordered everyone to leave at once.

Washington filed a "strong protest," calling the breakup of the reception "scandalous." But that won no apology from General Sani Abacha's government, just more verbal abuse.

Throughout his tenure, senior Nigerian officials have interpreted the deep chill of U.S.-Nigerian ties as the reflection of Mr. Carrington's efforts to poison relations.

In interviews with local news organizations, Nigerian officials have repeatedly said that his outspokenness on human rights and democracy in a country long ruled by the military did not reflect Washington's official views of their country.

Instead, in a string of blistering attacks, Nigerian officials have depicted Mr. Carrington, who is black, as part of a corrupt African-American elite that publicly criticizes Nigeria in the secret hope that Abuja will offer to buy their silence with generous financial donations.

For Mr. Carrington, there is no mystery why relations between the United States and Nigeria have been so rocky.

"I came here in November 1993," he said, "a few months after the annulment of the elections of June '93, and I was here 12 days before the military under Abacha staged its palace coup and took over the government. Our government put on sanctions in response to the annulment."

A few months after he arrived, he said, Washington added more sanctions because it said Nigeria was not cooperating on narcotics matters."

And relations deteriorated further after the execution in 1995 of the minority rights advocate Ken Saro-Wiwa.

As he prepares to leave Nigeria for Harvard, his alma mater, Mr. Carrington responded to the attacks against him by voicing his regret over the state of Africa's most populous and potentially most powerful nation.

"This is a country that I have been coming to since 1959, so I have been able to see the years of boom and bust here," he said. "This is a country richer in human resources than almost anyplace I can think of, and it is rich in natural resources, too. And yet, Nigeria is a country ranked by the United Nations as one of the poorest places in the world, and ranked by some as one of the most corrupt countries in the world.

"As a black American, this deeply saddens me."

Terry Ilenda/The Associated Press

The space shuttle Atlantis lifting off from Cape Canaveral. It was to rendezvous with Mir on Saturday.

Shuttle Propels New U.S. Crewman Toward Mir

Agence France-Presse

CAPE CANAVERAL, Florida— The astronaut David Wolf was en route Friday for a four-month mission on the Russian space station Mir after the U.S. shuttle Atlantis blasted into space from Cape Canaveral.

Atlantis was scheduled to rendezvous with Mir on Saturday.

Dr. Wolf will remain behind as the U.S. astronaut Michael Foale returns home after bringing to 824 consecutive days the U.S. presence on Mir since 1995.

The rendezvous will be the seventh between Atlantis and Mir since June 1995 as part of cooperation that the United States hopes will lead to the construction of an international space station.

There had been pressure on the administrator of the National Aeronautics and Space Administration, Daniel Goldin, to scrap Dr. Wolf's flight due to the number of problems that have occurred aboard Mir in the last six months. Mr. Goldin announced his decision to continue with the mission Thursday.

"We move forward not only because it is safe, but for the important scientific and human experience we can gain only from Mir," Mr. Goldin said.

After blastoff, the crew of Atlantis switched focus to its primary goal: docking with Mir. Steps have been taken to delay the docking should Mir's central computer go down again, Frank Culbertson of the U.S. space agency said in a briefing before the launching of the shuttle.

Atlantis is carrying a new computer for Mir in its 2.5 tons of equipment, food and supplies.

Court Assails FBI Conduct At Ruby Ridge

Los Angeles Times Service

SAN FRANCISCO — A federal appeals court here excoriated the FBI for the conduct of its agents during the deadly August 1992 siege at Ruby Ridge, Idaho, saying the agents' "shoot to kill" policy was "a gross deviation from constitutional principles and a wholly unwarranted return to a lawless and arbitrary wild-West school of law enforcement."

In a unanimous decision written by Judge Stephen Reinhardt, the U.S. 9th Circuit Court of Appeals said Thursday that special rules adopted during the siege, which led to the death of the wife and 10-month-old daughter of the white separatist Randy Weaver and the severe wounding of their friend Kevin Harris, "violated clearly established law, and any reasonable law enforcement officer should have been aware of that fact."

The three-judge panel, in reaching its conclusions, rejected the contentions of 13 FBI agents and U.S. marshals that they were entitled to qualified immunity for their conduct at Ruby Ridge.

The judges' decision will allow a $10 million civil rights case filed by Mr. Harris against the agents to go to trial, unless the three judges are overruled by a larger panel of 9th Circuit appeals judges or by the U.S. Supreme Court.

In October, E. Michael Kahoe, former head of the FBI's violent crime unit, pleaded guilty to obstructing justice by shredding an internal agency report on the incident. Four other agents were suspended, including the FBI deputy director, Larry Potts.

POLITICAL NOTES

Senate Opens War On Finance Reform

WASHINGTON — Ending months of delay, the Senate began to debate campaign finance legislation Friday that is backed by President Bill Clinton. But the Senate majority leader, Trent Lott, immediately cast doubt on its prospects for passage.

"Are we going to come together on a consensus?" asked Mr. Lott, Republican of Mississippi. "I have my doubts we have reached that point."

Highlighting the partisan differences over the issue, Mr. Lott criticized Mr. Clinton, who was scheduled to attend a fund-raiser in Houston on Friday, saying the event was aimed at raising "exactly the kind of money he says we ought to stop. What is he saying, 'Stop me before I do it again?'"

All 45 Democrats and 3 Republicans back the bill, which was sponsored by Senators John McCain, Republican of Arizona, and Russell Feingold, Democrat of Wisconsin. It would ban unlimited "soft money" contributions to the parties. *(AP)*

Gore Phone Sheets Were Discarded

WASHINGTON — The executive assistant to Vice President Al Gore has testified that she or her assistants routinely discarded copies of the call sheets prepared for Mr. Gore's telephone solicitations of potential contributors after he made the calls.

Government officials said there was no suggestion that the sheets were discarded to conceal information from Justice Department investigators who are reviewing Mr. Gore's solicitations. But any missing documents could be important if the investigators determine they cannot establish the full extent of Mr. Gore's calls at the end of a 30-day review ordered by Attorney General Janet Reno.

Ms. Reno began the review to determine whether she should seek the appointment of an independent counsel to investigate Mr. Gore's White House calls. Under the terms of the Independent Counsel Act, Ms. Reno could be required at the end of the 30 days to order a 90-day preliminary investigation if it is concluded that critical information is missing or might be obtained through further inquiry. *(WP)*

Quote/Unquote

Robert Bennett, Mr. Clinton's lawyer in the Paula Jones sexual harassment case, criticizing Susan Carpenter McMillan, the public relations expert who is Ms. Jones's spokeswoman: "Her agenda, just plain and simple, is to get the president of the United States." *(Reuters)*

Away From Politics

• **A former Klansman was sentenced to 12 years in prison** for his role in a racially motivated car bombing 22 years ago in Salem, Virginia, that killed a nearby toddler. Frank Helvestine, now 76 and ailing, pleaded guilty to involuntary manslaughter, arson and unlawful wounding after a son-in-law turned him in last year. *(AP)*

• **A Southwest Airlines jetliner had to take evasive action** when a business jet turned into its path 2,500 feet over downtown Dallas, setting off a collision warning on the commercial airliner. It was not known how many people were aboard the planes. *(AP)*

• **The incidence of gonorrhea among homosexual males** has begun to rise sharply, a sign of spreading unsafe sexual practices that may presage a new explosion of AIDS cases, federal authorities said. *(LAT)*

• **A convicted murderer waived his appeals and was executed** in Texas for raping and strangling his former wife and 12-year-old stepdaughter in 1995. Benjamin Stone, 45, had confessed to the murders. *(Reuters)*

• **A man accused of killing an infant and framing his 2-year-old daughter** for the death 26 years ago has been found guilty of murder. Jan Barry Sandlin, 47, was convicted in the 1971 death of 4-month-old Matthew Golder. He was sentenced in Decatur, Georgia, to two life sentences. Prosecutors contended that Mr. Sandlin beat Matthew to death and then placed his daughter, Tracy, in the boy's crib to make it appear as if she threw him to his death. *(AP)*

BOOKS

PERFIDIA

By Judith Rossner. 308 pages. $23.95. Doubleday.

Reviewed by Susan Dooley

I WAS five in 1974, when my mother packed me and her other possessions into our station wagon, said goodbye to my father and drove me away from our home," writes Judith Rossner in the opening lines of her engrossing new novel, "Perfidia." It is the child, Madeleine, who is telling the story of this journey that begins in New Hampshire and ends in violence in Santa Fe, New Mexico — a story, as Rossner puts it, of all the different ways not to care about what happens to children.

Madeleine's mother, Anita, is a beautiful, promiscuous woman who focuses the force of her love on her small daughter. She cuddles Madeleine, sings to her and tells her ever-changing stories of growing up on a farm in Canada. Then, nine months after arriving in Santa Fe, Anita gives birth to a son. Billy now gets Anita's love. Madeleine ceases to exist.

"I think at some point I stopped being able to do what she wanted me to do," Madeleine writes, remembering how her attempts to win back her mother had failed; "it made me feel craven to obey someone who couldn't stand to have me around." Billy may get hugged, but he rarely gets fed or put to bed. It is Madeleine who takes care of her half brother, as Anita's interest shifts to a drug-taking hippie named Lion. After Lion, Anita, sometimes drugged, sometimes drunk but always irrational, divides her time between the gallery she runs in Santa Fe and the men she picks up in bars.

"I wanted to be in my own house when my mother became herself," Madeleine says, explaining why she was so reluctant to spend the night at a friend's. "When she did, I had to be prepared. I'd need to know what was going on in her life. If she'd just met a man, home would be safe because she'd be happy. If she'd just had a breakup, home was safe because she'd be low. In between, I never knew."

"Perfidia" is heart-breaking in its matter-of-fact recounting of what it's like to live in a home that is a minefield, to become, at an early age, a sapper whose safety depends on learning how to sniff out the explosive spots and defuse them. Madeleine, the oldest, the responsible one, writes admiringly of her little brother. "He didn't get absorbed in her craziness the way I did. He stayed under her radar."

Anita has trained her children well, made them accomplices in her bad behavior. They know that what goes on inside the walls of their house is not suitable for export. They are not to mention drugs or the drinking or the times they are left alone. Their mother feels no guilt, but they do, silenced by secrets that set them apart from the rest of their world.

People do see what's going on and some offer comfort, though no one intervenes. The mother of Madeleine's best friend encourages Madeleine to visit. A psychiatrist, who becomes her mother's lover, tries to offer counsel, but in Rossner's hands he comes across as the worst kind of practitioner, a man with all the words and none of the wisdom. Madeleine's boyfriend, the macho, unfaithful Geraldo, does what he can, willing to help only because Madeleine asks so little.

But perhaps there is no salvation for a child born of parents who simply don't care. If two people have coupled and created you in their own image, and they can't love you, how can anyone else?

Rossner has been so successful in creating the tight, terrifying world in which Madeleine lives that it takes a few minutes, at book's end, to realize that Madeleine is becoming her mother. She sets out to retrace that long-past journey that began years ago in Canada, paused for a marriage of convenience in New Hampshire and ended so disastrously in Santa Fe. But Rossner is too wise to take us farther. She lets the reader decide whether Madeleine is winding up the thread that stretched across the country so that, at its origin, she can begin again or instead become a mirror image of her mother's madness.

Susan Dooley, a free-lance writer who lives in Maine, wrote this for The Washington Post.

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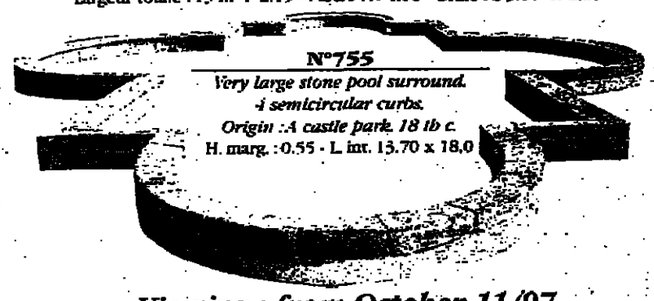
N°838
4 important carved white marble sculptures symbolizing the seasons. Work of art from the original models at Louvre museum. After the works of François BAROIS, Guillaume COUSTOU and Jean Melchior RAON
H 2.10 - Base 0.45 x 0.45

N°455
Very important stone entryway of a Bordelais Castle, wrought iron gates and overwall grilles, including stone walls, 2 gate piers and 2 pillars. 18th c. Iron work later.
Largeur totale : 13 m P 2.15 - Piliers : H 4.00 - Grille : L 3.00 H 2.85



N°755
Very large stone pool surround.
4 semicircular curbs.
Origin : A castle park. 18 th c.
H. marg. : 0.55 - L. int. 13.70 x 18.0

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NATO-Russian Council Holds Its First Meeting

Both Sides Hail Steps Toward Cooperation

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — The foreign ministers of the NATO nations and Russia met Friday for the first session of a joint council aimed at building trust between Cold War enemies.

The NATO secretary general, Javier Solana Madariaga, said the ministers agreed to establish a panel to study practical steps toward military cooperation and to meet again Dec. 17, in Brussels, to further discuss the plan.

The first meeting was "a great success," Mr. Solana said. "It has been a great meeting, a successful meeting devoted in a spirit of friendship and cooperation."

Foreign Minister Yevgeni Primakov of Russia agreed, despite Moscow's continuing unease over the expansion of the North Atlantic Treaty Organization to take in three former Soviet allies: the Czech Republic, then a part of Czechoslovakia; Hungary, and Poland. Russia has said the alliance's expansion would divide Europe and raise tensions.

"Our first meeting at the ministerial level was very successful," Mr. Primakov said. He added that the success of NATO-Russian cooperation would depend on "increased trust between all sides, full implementation of all agreements that have been signed before, equality between parties and respect of mutual interests."

Both sides should understand, he said, that "without joint efforts from Russia and NATO, a stable and strong Eastern Europe would be impossible."

Mr. Primakov also affirmed that Russia would be "happy to continue taking part" in joint peacekeeping operations and "bear an equal share to others in cooperation with these operations."

The U.S. secretary of state, Madeleine Albright, and other officials said NATO's aim was to take a variety of steps by December, including creating stronger military contacts, stationing Russian military representatives at NATO and opening an alliance information center in Moscow.

"We are ready to do these things. Let's get them done by December so that we can move to a more ambitious agenda for the future," she said in a speech.

Mrs. Albright said she understood that "many Russians express doubt that their country can build a relationship of trust with NATO."

"Let me say that I do not expect these meetings to change that perception overnight. I do not expect Russia to suddenly fall in love with NATO."

She also praised Moscow for its cooperation in trying to carry out the Dayton peace accords in Bosnia-Herzegovina. "History will record that when NATO first suited up for action, it did so with, not against, Russia," she said.

After the meeting, Mrs. Albright said the session was "very engaging and exciting." She said both sides agreed "that we're all engaged in a new era."

The council was set up to allay Russian fears that an expanded alliance would threaten Moscow's security interests in Central and Eastern Europe.

The experiment begun Friday underscored once again the radical change in international relations since the fall of communism. *(AP, Reuters)*

Walter Dhladhla/Agence France-Presse

Winnie Mandela Faces the Interrogators

Winnie Madikizela-Mandela in Johannesburg on Friday, her 63d birthday, before the Truth and Reconciliation Commission convened a closed meeting. Three investigators asked President Nelson Mandela's former wife about accusations that she ordered or took part in killings and assaults in the late 1980s. The panel said it would grant her request later for a public hearing.

Shoichi Yokoi, Holdout Japanese Soldier, Dies

New York Times Service

TOKYO — Shoichi Yokoi, 82, a Japanese soldier who hid in the jungles of Guam for 27 years rather than surrender to American forces at the end of World War II, died Monday of a heart attack.

Mr. Yokoi returned in 1972 to Japan, where he stirred widespread soul-searching about whether he represented the best impulses of the national spirit or the silliest.

"I am ashamed that I have returned alive," Mr. Yokoi declared after his return, reflecting the traditional warrior spirit that it is better to die than to give oneself up to the enemy.

Mr. Yokoi's case highlighted the extraordinary transformation that Japan has undergone since the war. He was the epitome of prewar values of diligence, loyalty to the emperor and *ganbaru*, a Japanese word that roughly means to slog on tenaciously through difficult times.

When American troops seized control of Guam in 1944, Mr. Yokoi and more than 1,000 other Japanese soldiers hid in the jungle rather than surrender or commit suicide.

The others were all captured or died of starvation or illness, but Mr. Yokoi stayed there, living in a cave.

Raised in a farming village near the city of Nagoya in central Japan, Mr. Yokoi was a tailor before the war.

Egon Seefehlner, 85, Austrian Opera Director

VIENNA (AP) — Egon Seefehlner, 85, a former director of the Vienna State Opera and of Berlin's German Opera, died Friday, the Vienna State Opera said. It did not mention the cause of death.

A law-school graduate, Mr. Seefehlner was secretary-general of the Vienna Concert Hall between 1946 and 1961; he also served as deputy director of the State Opera for seven years until 1961.

Walid Akl, 52, a Lebanese pianist who recorded the entire piano repertoire of Haydn, died Friday in Paris after heart surgery.

Burmese Foes Of Junta Given Permit to Hold Party Congress

The Associated Press

RANGOON — Burma's military rulers gave permission Friday to the political party of the opposition leader Daw Aung San Suu Kyi to hold a congress this weekend, easing fears of mass arrests.

About 300 people will be allowed to gather at her lakeside compound on the condition that they meet "in a peaceful and orderly manner," the governing State Law and Order Restoration Council said.

It was the council's second overture in a week toward Daw Aung San Suu Kyi's National League for Democracy, following an attempt by General Khin Nyunt, one of the regime's leading generals, to meet the league's chairman, U Aung Shwe.

Daw Aung San Suu Kyi refused to allow that meeting unless she and other league officials were present.

Though Daw Aung San Suu Kyi, who was awarded the Nobel Peace Prize in 1991, has long called for political dialogue, many in her party feared that the offer of limited talks was a government attempt to divide the opposition.

It was unclear whether the government's apparent softening represented a breakthrough in Burma's political deadlock or if the generals simply felt confident enough to allow a small number of opponents to meet without fear of being toppled.

Major General Khin Maung Than, Rangoon military region commander, summoned U Soe Myint, a member of the opposition league's central executive committee, to inform him that the meeting could be held, the statement said.

About 600 members have been invited to attend the gathering, which marks the ninth anniversary of the league's founding after an uprising against military rule in 1988 was violently quelled.

Four hundred people arrived in Rangoon from outlying districts, although it appeared some would be turned back.

Access to University Avenue, leading to Daw Aung San Suu Kyi's home, has been restricted by the police for a year to prevent weekend rallies outside her house — once attended by more than 10,000 people — after her release in July 1995 from six years of house arrest.

During the past year, the government has discouraged Daw Aung San Suu Kyi from leaving her home to meet with supporters, though she is allowed to leave for private visits.

This weekend's congress would be the first one allowed since she was freed.

Before a scheduled congress in May 1996, the regime detained 262 party members. Party officials said that more than 800 were arrested in September last year.

Although most were later released after a couple of weeks, a few dozen are serving long prison sentences.

"I don't think the authorities will hinder this meeting from taking place," said a party official, who spoke on condition of anonymity.

Party officials said that local military authorities in Irrawaddy Division, south of Rangoon, had intimidated members into staying away from the capital.

Otherwise, members were not stopped from traveling to Rangoon, party officials said.

In his invitation to party members, U Aung Shwe said the congress would analyze the party's work in its nine-year existence and discuss ways to carry out its policies.

BRIEFLY

Turks Invade Iraq In Pursuit of Kurds

DIYARBAKIR, Turkey — Turkish troops, backed by air power, pursued Kurdish guerrillas deep into northern Iraq on Friday in defiance of Iraqi warnings of possible retaliation. The Anatolian News Agency quoted the army chief as saying that he did not think the mission would last long and that Turkey would withdraw when it was completed.

About 15,000 Turkish troops are pursuing guerrillas of the Kurdistan Workers Party. A Turkish military official said 44 rebels and three Turkish soldiers had been killed. Turkish border officials said soldiers had entered the Iraqi Kurdish provincial capital of D'hok, 50 kilometers from the border. *(Reuters)*

Pyongyang Missile Not Seen, U.S. Says

WASHINGTON — The United States has closely watched recent small movements of North Korean troops and trucks capable of carrying missiles and launching rails, but the North has not deployed its new No Dong missile, a senior U.S. military commander said Friday.

"We have seen the troop deployments," said Admiral Joseph Prueher, commander of U.S. forces in the Pacific and Asia. "We have not seen the deployment of the No Dong missile."

He said the missiles would be a threat to U.S. forces in South Korea and to other countries in the region if they were deployed. *(Reuters)*

Australian Scandal Claims 3d Minister

CANBERRA — An ethics scandal claimed another cabinet minister Friday as Science Minister Peter McGauran, a millionaire farmer, resigned after admitting he had wrongly claimed about 1,500 Australian dollars ($1,100) in travel allowances and charter flight fees.

Transportation Minister John Sharp and Administrative Services Minister David Jull resigned Wednesday. *(Reuters)*

Opposition Assails Thailand's Leader

BANGKOK — An opposition politician made a scathing attack Friday on Prime Minister Chaovalit Yongchaiyut's leadership on the last day of a three-day censure debate against him in Parliament.

Suthep Tuaksuban of the Democrat Party asserted that Mr. Chaovalit was untrustworthy and unqualified to deal with the economic crisis. Voting on the motion was to take place Saturday. Political analysts said they expected the motion to be defeated. *(Reuters)*

Taiwan Gift of Jets

TAIPEI — Taipei said Friday it would give 12 aged F-5E fighter jets to Paraguay, one of a handful of countries that recognize Taiwan rather than China.

The warplanes, acquired decades ago, are to be replaced by advanced fighters bought from the United States and France. *(Reuters)*

DEATH NOTICE

TRAINA, NICHOLAS JOHN STEEL

In San Francisco, September 20, 1997 after a long-time struggle with a lifetime illness and a valiant fight to the end, of an accidental overdose. Son of Danielle Steel Traina and John A Traina, Jr of San Francisco. Nicholas was 19 years old (1 May 1978). He graduated from Town School and the Woodside International School and for the past 2 1/2 years was the lead singer, lyricist and manager of the rock band, Link 80 which had gained considerable acclaim nationally and internationally, mostly among teenagers. His C.D.'s and video's were being distributed internationally. A month ago he started a new band of his own, "Knowledge". Nick Traina was the bright star of his family and will be greatly missed by all. He is survived by his parents, his eight siblings: Samantha, Victoria, Vanessa, Maxx, Zara, Trevor and Todd Traina and Beatrix Seidenberg.

Friends are invited for Visitation, Tuesday, September 23rd from 5-8 pm at HALSTED N. GRAY-CAREW & ENGLISH, 1123 Sutter St., San Francisco and to attend the Funeral Service on Wednesday, September 24th at 3:30 pm at Grace Cathedral Episcopal Church, 1100 California St., San Francisco, CA. Interment private. Flowers or charity of your choice.

Hong Kong Schools to Curtail English

Agence France-Presse

HONG KONG — The Hong Kong government announced Friday that it was ending the use of English as the main teaching language in schools.

The Education Department said that schools would start teaching in Cantonese Chinese next year, despite the opposition of many parents.

English and Chinese are now the two official languages. English has been the main language in Hong Kong schools for decades, but its downfall had been expected once Britain returned the territory to China on July 1.

Only schools with official approval will be allowed to continue in English. Helen Yu, director of education, said: "Schools not using the appropriate medium of instruction will be subject to sanctions."

Several elite schools, including Queen's College, Hong Kong's oldest school, said they were planning to apply to teach in English. Exemptions will be granted only to schools where at least 85 percent of the students are capable of learning in English.

There are about 1.2 million young children and teenagers in around 2,400 educational institutions, including universities, and the Education Department says its research shows that Chinese pupils respond better to mother-tongue teaching.

Proposed special ordinances say that principals who refuse to stop teaching in English can be jailed or fined in extreme cases. There are other administrative sanctions for schools.

Under the guidelines, all schools should begin teaching classes for 12 year olds in Cantonese next year. All-Chinese classes will be extended to older classes year by year.

The switch to mother-tongue teaching began in 1984 when the government started encouraging secondary schools to drop English because studies showed that children could not master both languages and were speaking "Chinglish."

But Chow Dick-yee, principal of Queen Elizabeth School, said parents would prefer English.

"With our history of using English in teaching for the past 45 years, I believe the majority of parents would not welcome a switch to the mother tongue," she said.

Many parents also spoke out.

One, Aileen Tsang, said she would send her two sons to private schools.

"I still believe my sons will have a better future if they have proficiency in English," she said, adding that a person with good English could get a better job.

There has been a general trend against the use of English in the administration, with a special language agency set up before the return to Beijing's rule to promote the use of Chinese in the civil service. Some Hong Kong courts have already removed restrictions on the use of Cantonese and Chinese-language documents.

By 2000, all students will have a chance to learn Mandarin Chinese, the most widely spoken dialect although one strange to most Hong Kong people, who speak Cantonese. Mandarin will be introduced into the examination for the Certificate of Education, a basic requirement for university entrance.

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St. Mary's Church for English-speaking Catholics Altenhöferweg 7, Oberursel/ Oberstedten (Church of St. Petrus Canesius). Holy Mass, Sun. 11:00 Pastor Fr. Bruens. 069-71911430 (home) or 06171-25983 (Office).

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X MARKS THE SPOT By Robert H. Wolfe

ACROSS

1 Old Turkish aristocracy
6 —— Gailey of "Miracle on 34th Street"
10 "He" and "she" follower
14 Hold off
19 Wasn't upright
20 Actress Anderson
21 Crown
22 Mideast's Gulf of ——
23 Heckles, say
25 Rare book dealer's abbr.
26 1989 Tom Hanks film, with "The"
27 UXS
29 Examines closely
30 Temper
31 Afr. nation
32 Obeyed a flasher
33 Timely girl's name
34 Deplorable
35 Bleat
36 *In —— (not yet moved)*
37 Down
39 "To Evening," e.g.
40 OX
44 Early American orator Fisher
45 Jerusalem artichoke, e.g.
48 Tabloid, maybe
49 Pays what's expected
51 Western tribe
52 *Problem for a dentist*
54 "—— Baby" ("Hair" song)
56 They lack refinement
58 —— Town
59 Razor-billed bird
60 Curry ——
61 Some theater
64 Mil. drop site
65 TH000X
68 Grp. that conducts many tests
69 Runner's jersey
71 Pro side
72 One of 13 Popes
73 French count, maybe
74 Flurries
75 Not solid
76 Old-fashioned lady
77 "—— agnus Dei" (Christian phrase)
78 Former
81 Roll
82 Inevitable
83 Spell
85 IX
90 Copy
91 Bluejacket
92 Before long
93 Player's grp.
94 Barbecue sound
97 Tangs
99 Tie again
102 Stable nibble
103 Shooter
104 Temple architectural features
105 *bXw*
109 Jousting
110 Morales of "La Bamba"
111 Free of criticism
112 King protectors
113 Regnum
114 Ring foe
115 Noted Civil War biography
116 Pick up
117 Spawning fish
118 Ending with hoop
119 Chicago's —— Expressway

DOWN

1 Common defenses
2 Equus and others
3 Covered, in a way
4 *Over*
5 Decoration for a newlywed's car
6 Threw toward
7 Fibrous
8 Inner beginner
9 Dropping, in a manner of speaking
10 Indy occurrence
11 Soft drink name
12 "Who's there?" reply
13 Figure in a murder mystery
14 Lightly touches
15 Accouter
16 10 X
17 It's on its way out
18 Struggles with, as a varmint
24 Let go
28 Kind of horn
36 Afternoon fare
38 Gray
40 Onetime Chicago V.I.P.
41 Early wheels
42 Eastern verse
43 Suffix with glass
44 A celebrity may have one
45 Big brass
46 More romance
47 ? X
50 Breaks down, in a way
52 Kind of society
53 "Star Wars" name
54 Showed *wonderment*
55 Warner ——
57 Win over
60 Eye-opening problem
61 Word in a billet-doux
62 *Plon's place*
63 Saddled
65 What's more
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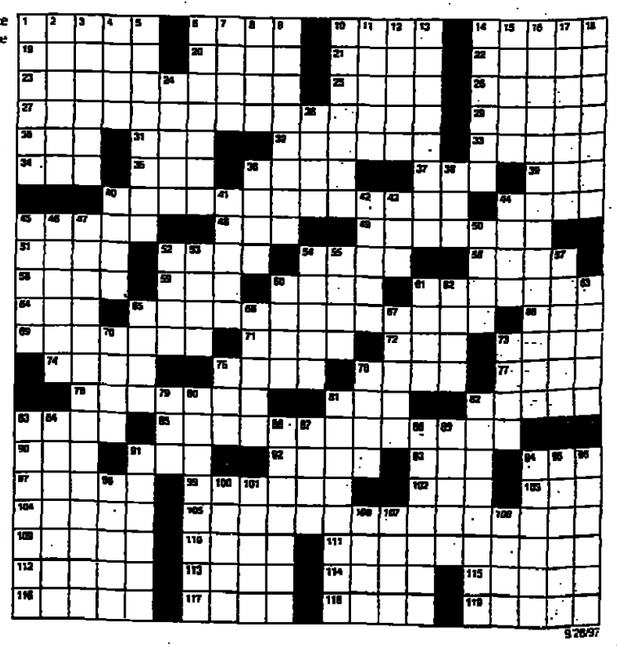

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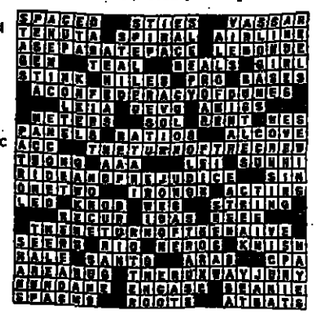
Solution to Puzzle of Sept. 20-21



Again, Yeltsin Denies Russia Sent Iran Nuclear or Missile Technology

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin denied Friday that Russia had supplied nuclear weapons or ballistic missile technology to Iran. He was responding to allegations from the United States and Israel that Russian experts and know-how are helping Iran build weapons of mass destruction.

Vice President Al Gore said on a visit to Russia this past week that a U.S.-Russian inquiry had turned up "new information" that Iran was making a vigorous effort to procure such technology. Mr. Gore refused to say what the new information was.

"We are being accused of supplying Iran with nuclear or ballistic missile technologies," Mr. Yeltsin said at a news conference with President Jacques Chirac of France after a Kremlin meeting Friday. "There is nothing further from the truth. I again and again categorically refute such rumors."

Russia has repeatedly denied that it has provided missile or nuclear weapons technology to Iran, but some experts say that state controls have been lax on quasi-governmental and private businesses, especially those connected with the ailing military-industrial complex of the former Soviet Union.

A recent independent study showed how Iraq had been able to purchase missile guidance systems from a Russian warehouse through a middleman.

In a related nuclear development, the senior Russian Defense Ministry official responsible for the nuclear weapons stockpile has commented on allegations by Alexander Lebed, a retired general and former secretary of the Russian security council, that some small nuclear charges the size of a suitcase might be missing.

Mr. Lebed, who gave differing estimates of the number of bombs missing, made the suggestion last summer to visiting U.S. congressmen and again in a recent television interview.

In a press conference at the Defense Ministry on Thursday, Lieutenant General Igor Volynkin, chief of the 12th main directorate, which handles nuclear weapons, denied that any were missing.

"As to the loss of 100 munitions, this is something that is practically impossible," he said. "The system of accounting is so sophisticated that it makes it impossible to lose even a single munition."

General Volynkin denied that miniature nuclear devices existed.

"Nuclear suitcases, and I say this with full responsibility, were never produced and are not produced," he said. He added that "technically" it was possible to produce such a small weapon but that it "will have a lifespan of only several months" and would have to be dismantled, making it too costly to build and maintain.

He acknowledged that the Soviet Union and Russia possessed nuclear mines. These were somewhat larger than a suitcase and could be carried by a truck, he said.

The existence of such weapons was disclosed by Mikhail Gorbachev in October, 1991, when he was Soviet president. He pledged they would all be dismantled by 1998.

General Volynkin said that all nuclear mines, as well as nuclear artillery shells and tactical nuclear warheads, had now been removed from Russian ground forces and were in the storage units of his department.

Netanyahu Defies Critics On Settlement Expansion

Compiled by Our Staff From Dispatches

JERUSALEM — Brushing off renewed U.S. demands for a settlement freeze, Prime Minister Benjamin Netanyahu said Friday that he would continue building in the Jewish enclaves in the West Bank and Gaza Strip to accommodate natural population growth.

Mr. Netanyahu's stance raised tensions with the United States at a time when Secretary of State Madeleine Albright is trying to restart peace talks.

At a news conference in Jerusalem, Mr. Netanyahu also said that if the Palestinian Authority had truly begun a systematic crackdown on militants opposed to peace deals, it would bode well for negotiations between the two sides.

Mrs. Albright on Thursday renewed her call for a freeze on Jewish settlement building, saying Mr. Netanyahu's latest plans were unhelpful in the search for a final peace agreement. Her call came after Mr. Netanyahu announced Wednesday that his government would build 300 additional homes in the West Bank settlement of Efrat and was building in other settlements in the occupied territories.

During Mrs. Albright's trip to the Middle East, she had asked Mr. Netanyahu to refrain from unilateral actions, such as settlement buildings, and demanded that the Palestinians crack down on Islamic militants responsible for a series of suicide attacks in Israel.

The Palestinian leader, Yasser Arafat, appeared to be trying to keep his side of the bargain. Over the past three days, he has rounded up dozens of suspected members of the militant group Hamas and closed 16 Hamas institutions, including a kindergarten and a TV station.

Mr. Arafat was spurred into action when Israel delivered proof this week that four of five suicide bombers involved in two recent attacks in Jerusalem were Hamas activists from the West Bank who had escaped from a loosely guarded Palestinian jail last year. *(AP, Reuters)*

■ Israeli Troop Prepare for Worst

Israeli troops trained in the West Bank this week for a possible full-scale war with the Palestinians, including the prospect of fighters from the Palestinian Liberation Organization storming Jewish settlements, Reuters reported, quoting an Israel Radio report.

"The Israel Defense Forces do not elaborate on exercises and preparations for a time of emergency," the army said in response to the radio report.

In the West Bank town of Jenin this week, a senior Palestinian security official said: "Israeli forces have been training with helicopters, tanks and troops near 21 settlements in the Jenin area following the deterioration in Israeli-Palestinian relations."

Israeli and Palestinian forces engaged in gunfights a year ago when Palestinian protests erupted over Mr. Netanyahu's decision to punch a hole in a tourist tunnel near a Moslem shrine in Jerusalem. The clashes killed 61 Palestinians and 15 Israelis.

The Israeli army has in the past confirmed that it has contingency plans for a major confrontation.

"There can be no doubt the Israel Defense Forces are preparing for the worst," Israel Radio's military correspondent said.

Rick Stevens/The Associated Press

Awaiting the monsoon, Papua New Guineans are restricted in their activity along the Fly River, which has been left at low levels by continuing drought. The Australian Air Force has been dropping food and other supplies.

ITALY: *Double Earthquake*

Continued from Page 1

when we felt a bang," said Constantino Centroni, superintendent for cultural heritage for the Umbrian region. "I looked up and saw that the vault was falling on us. I had enough time to jump to the safety of the walls, and then everything was covered with dust and you couldn't see. I could hear the cries of other people coming from the nave, asking for help."

According to one Franciscan monk, interviewed on television, the two friars, one 25 years old and the other 48, had been near the main altar of the basilica when they tried to run for cover.

"Every death is horrific," he said, "and I am devastated by the loss of our two brothers. However, there were 20 people in that church, so we have to give thanks that more weren't killed."

The details of the damage were still fragmentary, even by late Friday, as rescue workers took the rubble out of the basilica to sort through outside. But according to witnesses and a film taken by local fire brigade, two sections of the ceiling collapsed — one over the bay of the basilica nearest to the entrance that was decorated with portraits of Doctors of the Latin Church, attributed to the 13th-century master Cimabue. The second was over the altar and was decorated with frescoes of the four evangelists, also by Cimabue.

"There's your Cimabue," said Mr. Centroni, speaking to a television crew, holding up a piece of crumbled fresco.

The walls of the nave, decorated with a famous cycle of 28 frescoes long attributed to Giotto, the revolutionary Italian painter who served as an example for the later masters of the Italian Renaissance, were apparently not damaged, according to Mr. Centroni.

Some art scholars dispute the attribution of the frescoes, which depict the life of the medieval saint beloved for his selfless generosity and gentle manner, noting that they pre-date Giotto, who had been a student of Cimabue.

The lower church, with its many chapels equally rich in artistic treasures, was reportedly untouched by the quake. But other churches and monuments in the region were damaged, including the church of Santa Chiara and the cathedral of San Rufino, the apostolic and papal palaces in Assisi.

In nearby Foligno, the bell tower above the cathedral crumpled, as did the one at Nocera Umbra, and structural damage was reported at other churches in the region, including the cathedral at Fabriano. The sculpted facade of the great cathedral at Orvieto was also slightly damaged.

The second earthquake — reported by one seismic expert to have been two separate shocks in rapid succession — was felt as far as away as Rome to the south, and Venice to the north. An iron lamp in the Italian Senate crashed to the ground during the tremor, which could be felt throughout the capital city.

Italy's cultural heritage, one of the most remarkable in the world, spanning thousands of years, has suffered catastrophe in the last few years, including fires that have ripped through the 18th century opera house in Venice and the baroque chapel that housed the shroud of Turin, and the collapse of a baroque cathedral in Noto, Sicily.

Federico Zeri, one of Italy's most noted art historians, said Friday that the damage to the St. Francis basilica was at least in part a result of faulty restoration techniques used in the 1950s, when reinforced concrete was used to replace wooden beams.

"Follies were committed," he said, noting that the concrete robbed the structure of the flexibility that had allowed it to survive earlier earthquakes. Mr. Zeri, who was one of those to dispute Giotto's authorship of the St. Francis frescoes, said the Cimabue frescoes on the vaults above the altar were "very important" and urged rescue workers to treat the rubble inside the basilica with care.

SMOG: *On Borneo, Officials Grow Angry at Lack of Assistance*

Continued from Page 1

state government. "But after weeks of haze —and people will die — where are the United Nations? Are they so scared of Indonesia?"

As if in answer to those complaints, a UN agency said Friday in Geneva that it was sending an emergency evaluation team to Indonesia as well as 150,000 face masks for children affected by the smog. The World Health Organization, in its first substantial comment on the fires, called for the international community to support Asian countries that are seeking to put out the blazes.

In Sarawak, the state of emergency was partly lifted Friday, keeping schools shut but allowing many businesses to reopen. The economic burden of closing was taking too great a toll on workers, officials said.

"If workers do not earn enough to buy food, what's the point of running away from the haze?" asked Mr. Hamid, the Sarawak undersecretary.

Although the air pollution index was still four times normal levels, that was a dramatic improvement from earlier in the week, when haze levels were more than 15 times normal. Plantations, factories and timber-based industries were allowed to resume work by the guidelines issued Friday, provided the pollution index stays below the 500-mark, a level considered hazardous.

Quarries and industries involving earthworks were ordered to remain shut.

In Kuching, one of the cities hardest hit by the haze blowing across the border, doctors reported that the rush to emergency rooms had slowed. The state's medical board said that it had treated about 1,400 patients for haze-related ailments Thursday, down from nearly 3,000 Monday.

The figures represent only patients treated at state-run hospitals; no estimates for private hospitals were available.

Medical experts in Sarawak are divided on the health effects from the haze. One doctor at the Normah Specialist Medical Center in Kuching said, "It's a paradox that some people go around with a mask and then take a break to smoke a cigarette." He added that living in the haze was akin to being in a smoky bar.

But Gabriel Teo, a doctor who treats patients with respiratory problems at the same hospital, said that missed the point.

"We are talking about subjecting the entire population to a health risk," he said. "Not everyone is a smoker, but everyone has to breathe air. And you don't live in a pub for 24 hours a day." Especially vulnerable, he said, were children and the elderly.

"What we are seeing are just the acute effects," Dr. Teo continued. "What we don't know are the long-term effects of breathing in smoke for two months, four months or more."

He said that physical exertion would greatly aggravate the effects of the haze, increasing by as much as five times the amount of air a person inhales.

James Wan, public relations manager at the Rihga Royal Hotel in Miri, a city near Sarawak's border with Brunei, earlier this week described breathing the haze like this: "It's like being in the highlands during the dry season when there's a lot of mist in the morning. The difference is that the haze never goes away.

"With mist, it's very refreshing if you breathe in. But with the haze, it's heavy when you inhale. You feel your eyes watering. And you can smell smoke."

RUSSIA: *Religions Restricted*

Continued from Page 1

handful of cults outside the religious mainstream. Vsevolod Chaplin, an official from the church's foreign relations department, argued that without the new law, charlatans "investing in 10 cans of beer" to give to followers "can get millions from taxpayers' purses."

But the Orthodox church is also grappling with unaccustomed competition from revitalized mainstream organizations. With long roots in Russia, Lutherans, Baptists and Roman Catholics are making comebacks. Other churches, particularly Protestant groups, are also trying to make converts. Meanwhile, the rush to Orthodoxy evident in the waning years of the Soviet Union has slowed.

Liberal dissidents in the church contended that by backing limits on other religions, the Orthodox hierarchy was attempting to make up for waning influence. "Whatever problems we face, looking to restrict the freedom of others is not the right approach," said Alexander Borisov, a parish priest in Moscow.

The law divides religions into traditional and nontraditional, and even denominations that fall into the traditional category face laborious registration procedures. Denominations designated as groups must wait 15 years before being able to qualify for an upgraded status of "organization."

"Government and society are in no way obliged to grant a group of believers a special status automatically," Mr. Chaplin said in the Moscow Times newspaper. As for foreign missionaries, they are permitted to establish "representatives" in Russia. But, Mr. Chaplin wrote, "they cannot engage in direct religious activities, just as the Moscow office of Daimler-Benz does not sell cars, but carries out research and representative functions."

Foreign missionaries say that they have felt cold bureaucratic winds. "We have already seen some indications that the bureaucracy was treating this law as fact before it was passed and signed," said George Law, an official of an evangelical grouping called the Interdenominational Russian Ministries.

He said that Protestant groups had been blocked from renting space for worship near Moscow. "They were told they simply weren't wanted," Mr. Law said.

He contended that the bill was aimed at restricting worship by Russians in non-Orthodox churches, not at foreign missionaries. "It will strengthen the position of those who want to impose a religious monopoly," he said.

IRS: *Agency Apologizes for Past Abuses*

Continued from Page 1

when it comes at the end of the stress and obvious frustration these men and women have experienced. Nevertheless, I do apologize to each of them. They deserved far better treatment from the IRS than they received."

He then spelled out actions he was taking to address the panel's findings:

The agency's 33 district offices will no longer be ranked on the basis of the amount of tax collected; penalties will no longer be counted as tax collections, to remove any incentive to inflate collection totals via penalty charges; each district office will conduct monthly meetings at which taxpayers can vent their complaints against officers, and all top IRS officials will be summoned to Washington in the next 45 days to review the committee's findings and answer taxpayer complaints that were raised at the hearing.

The panel's chairman, Senator William Roth, Republican of Delaware, said his intent in calling the hearings had not been to bash the IRS but to expose the inner workings of one of the government's most secretive bureaucracies. He denied that the hearings had been intended to advance any partisan anti-tax agenda.

Other lawmakers, however, have used the hearings' revelations to call for a sweeping overhaul of the agency and the tax code.

Thursday's disguised witnesses, known only by numbers, insisted on anonymity to avoid retaliation from their superiors, they said.

Witness No. 4 said senior IRS managers judged the performance of their subordinates on the basis of tax collections and property seizures. Such ratings are prohibited by law and IRS policy, but several agency officials said the rules were frequently violated.

"It's just a numbers game now," the witness said. "It really doesn't matter how you close a case."

On Wednesday, the panel heard from four taxpayers, including Tom Savage, a contractor in Lewes, Delaware, who said he had paid the agency $50,000 he did not owe just to get IRS agents off his back.

Mr. Savage said fighting the IRS had cost him $51,000 in legal fees and $600,000 in lost business.

Father Lawrence Ballweg of New York testified that the IRS had challenged his signature on a tax document relating to the trust of his deceased mother, which was established to distribute funds to charity.

The IRS insisted for months that the 82-year-old priest owed more than $18,000 in taxes and penalties. Only after CNN publicized his case, he said, did he receive an IRS release.

Gary Cameron/Reuters

Mr. Dolan, the IRS's acting commissioner, during Senate hearings.

LONDON: *Stocks Soar on EMU Hints*

Continued from Page 1

On that day, known as Black Wednesday, the pound was driven out of Europe's exchange-rate mechanism. The resulting devaluation was a national humiliation that turned the previous Conservative government hostile toward a single currency. But it also was the beginning of a vibrant economic recovery that made Britain the envy of Europe.

Whether Mr. Blair can reconcile strong growth with European monetary cooperation is now the biggest question facing the government.

The pound fell to 2.8337 Deutsche marks in London on Friday, down from 2.8751 the day before. It has fallen nearly 8 percent against the mark in the past two months. The pound also slid to $1.6058 from $1.6264.

The price of the benchmark 10-year government bond surged, driving the yield down to 6.40 percent from 6.59 percent on Thursday. The yield has fallen nearly a half-percentage point in the past 10 days.

British bonds now yield roughly one percentage point more than comparable German bonds. That differential has narrowed by more than a half-percentage point in the past month.

Belief in the success of monetary union has gained momentum in recent weeks, helped by a European Union decision earlier this month to accelerate the fixing of exchange rates within the euro zone next year, and an economic recovery that is aiding Continental governments in their quest to meet the low-deficit requirements for entry.

The Spanish government strengthened its credentials on Friday by passing a tight budget for 1998, while Prime Minister Romano Prodi sought to win backing for welfare cuts that would qualify Italy for entry.

Support in Germany continues to be the big question mark, but news Friday that talks on tax reform had broken down, another potential political blow to Chancellor Helmut Kohl, failed to move the markets.

Influential figures inside Britain's Labour government, led by the chancellor of the Exchequer, Gordon Brown, are believed to be eager to signal Britain's intention to join in order to maximize the country's bargaining power in the first half of next year, when EU leaders under Mr. Blair's chairmanship will decide which countries will launch the euro. Mr. Brown called for a public debate on monetary union at an inaugural meeting with British business and financial leaders two weeks ago.

Most analysts say Mr. Blair will avoid tying himself down, perhaps signaling a desire to join monetary union when Britain's economy is more in sync with the Continent's. Growth here is running at a rate of more than 3 percent, and short-term rates are likely to rise, if anything, from the current 7 percent level. An early move to join with the Continent, where recovery is more fragile and rates are four points lower, would risk fanning British inflation.

"The main stumbling block is the economic cycle," said Gavyn Davies, chief economist at Goldman Sachs International.

Many Britons also equate a single currency with a huge surrender of national economic sovereignty. And analysts say last week's close vote in favor of Welsh devolution raise doubts that Mr. Blair would win the referendum he has promised before joining monetary union.

GERMANY: *Kohl Is Left Exposed as Rivals Bury His Tax Plan*

Continued from Page 1

its rejection as a cudgel to beat the Social Democrats, painting them as enemies of economic modernization.

For his political survival, the tax setback is far more than a blemish on Mr. Kohl's 15-year stewardship of Europe's biggest economy. The chancellor, who has barely managed to heal splits in his three-party coalition, now faces the prospect of a new round of infighting as a result of the breakdown.

The Free Democrats, Mr. Kohl's pro-business junior coalition partners, uncompromisingly insist on a 2 percentage point cut in Germany's hated 7.5 percent "solidarity" income tax effective on Jan. 1.

A cut in that tax, which was imposed to bankroll the reconstruction of East Germany, will rip a 7.5 billion Deutsche mark hole in next year's budget, a shortfall that remains unfinanced without the broader tax package.

East German leaders in Mr. Kohl's party have vowed to resist vehemently any attempt to cut subsidies to their regions. The East has seen its subsidy-fueled growth slow to a crawl this year.

Such resistance could force Mr. Kohl's finance minister, Theo Waigel, to seek politically unpopular cuts in other subsidies and spending, measures that are conspicuously unwelcome during an election year.

In his record tenure as chancellor, Mr. Kohl has shown a knack for bouncing back just when his opponents start counting him out. This time, as he seeks a fifth term, Mr. Kohl's center-right coalition trails the likely leftist opposition coalition by about 8 points.

The economic recovery that accompanies the campaign will most likely not benefit the incumbent, commentators said. Unemployment continues to rise, not fall, with the upswing, depriving Mr. Kohl of any feel-good benefits.

In the wake of the tax breakdown, Germany will continue to lose jobs, predicted Martin Kohlhaussen, chairman of Commerzbank and head of the German banking association. And earlier this week, the German Federation of Labor released a study that showed unemployment next year would outstrip the government's forecasts.

CRASH: *Airbus Goes Down in Indonesia's Worst Plane Disaster*

Continued from Page 1

who went to the crash site as saying that the plane had broken in two when it smashed into the ravine.

["The location is very difficult," he said. "The plane was totally destroyed and burned out in two pieces. There were no survivors."]

Aviation experts, while noting that the cause of the crash has not yet been determined, said the thick smoke could cause difficulties either by cutting visibility or by causing turbulence, raising the temperature of the air or cutting oxygen flow to the engines.

If the crash did result from the smoke from the wildfires, it adds urgency to an unfolding disaster in which a blanket of haze is continuing to spread through Southeast Asia.

The pungent haze is spreading northward from Indonesia through Singapore, Malaysia, Brunei, the Philippines and Thailand, mingling with the smog of cities, darkening beach resorts, hampering agriculture and sending tens of thousands of people to hospitals with respiratory ailments.

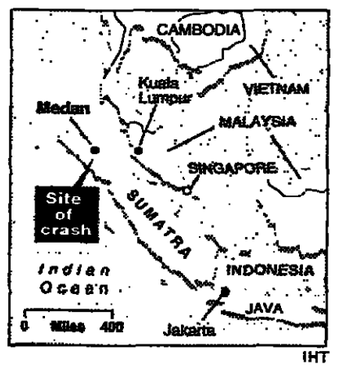
Airports are closing, shipping lanes are being disrupted and fishing boats are being forced to stay ashore.

A milky gloom is settling over some cities in the region, and people are covering their faces with surgical masks and towels when they venture out.

"What we are witnessing is not just an environmental disaster but a tremendous health problem being imposed on millions," said Claude Martin, the director-general of the World Wide Fund for Nature, in a statement released in Geneva.

The smoke is coming from fires mostly on the islands of Sumatra and Borneo.

Many of them have been deliberately set by plantation owners to clear land.



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Herald INTERNATIONAL Tribune

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Taxman in the Spotlight

Irate taxpayers and disgruntled current and former agents of the Internal Revenue Service provided horrifying testimony in the U.S. Senate this week depicting a callous, incompetent and abusive agency. A woman testified to a 17-year battle with the IRS during which the agency mistook her husband for another taxpayer. A Delaware man testified that he had paid the IRS $50,000 that he did not owe, out of fear of financial ruin if he fought its false accusations. Other taxpayers told of IRS agents who wrongly seized bank accounts, fabricated evidence, ignored exonerating evidence and refused to acknowledge payments.

Current and former agents, some hidden behind screens, said the agency hounded low-income families and others it knew it could browbeat. The agents said IRS managers set revenue targets that compelled agents to go after innocent taxpayers even though the agency is prohibited by law from setting financial quotas. Agents who protested were punished.

Other testimony pointed to the agency's well-known technological incompetence, best demonstrated by expenditures of billions of dollars on computer systems that do not work as promised. The abuses cry out for a remedy. But for many in Congress the anecdotes reflect a hostile, corrupt agency that cannot correct itself.

The agency responded to the testimony by apologizing for its mistakes, as it should have, and promising a sweeping review. However, the Clinton administration insists that some mistakes are the unavoidable consequence of processing more than 200 million tax forms a year. Besides, it points out, Treasury Secretary Robert Rubin and his deputy, Lawrence Summers, have already begun trying to turn the agency around. Mr. Rubin and Mr. Summers hired an information-processing expert who quickly junked much of the agency's misguided computer plan. They nominated as head of the agency someone whose expertise is running large organizations, not interpreting the tax code.

Indeed, they have adopted or embraced nearly every important recommendation made after a study by a commission headed by Senator Robert Kerrey and Representative Rob Portman. The commission found generally competent employees at the IRS who were caught in a mismanaged agency that needlessly angered taxpayers.

The only Kerrey-Portman recommendation the administration rejected was a misguided idea to put the IRS under the administrative thumb of a part-time board controlled by private citizens. Such private oversight is a bad idea. It would separate the Treasury officials who control the formation of tax policy from the IRS officials who institute it, opening the way for policies that fail to take full account of the difficulties of implementation.

The bigger problem with private oversight, however, is that it creates unacceptable conflicts of interest. Few citizens would want corporate CEOs, for example, to help decide how much time and effort the IRS devotes to auditing corporate tax submissions.

These hearings may herald a campaign by the Republicans to ignite a tax-cutting frenzy by bashing the easy-to-hate tax collector. The IRS, unfortunately, has only fueled this animus. Mr. Rubin must move to better train and equip agents, rewarding courtesy and punishing rudeness and incompetence.

But there are limits to how lovable Mr. Rubin can make the agency. Nearly 20 percent of American taxpayers do not voluntarily submit what they owe to the IRS without prodding. That creates unavoidable conflict. Moreover, the tax code is impossibly complex for many families whose income does not come entirely from wages. That breeds errors and distrust on both sides of the collection process. For solutions, Congress need look only at itself.

—THE NEW YORK TIMES.

Religion in Russia

A bill approved by the Russian Parliament to restrict the activities of some minority religions has sparked criticism from the United States and threats to cut off U.S. aid. The criticism is well-founded; the threats are not.

The bill would give more rights to "traditional" Russian religions — defined as Russian Orthodoxy, Judaism, Islam, Buddhism and other Christian denominations — than to other faiths. Sects and groups that were not present in Russia 15 years ago would be restricted in their ability to proselytize, publish and congregate. These restrictions could affect Mormons and Jehovah's Witnesses, analysts said; some readings of the bill suggest that new congregations of religions that were present then might also be affected.

The legislation stems partly from Russia's desire to control dangerous cults, such as Aum Shinrikyo, which established a presence in Russia before its members staged their 1995 gas attack on a Tokyo subway. But the Orthodox Church, fearing competition from foreign missionaries, also has embraced and promoted the bill.

The measure has struck a nationalist chord inside Russia, and Western opposition has only heightened nationalist support of it. The Russian Federation Council approved the bill 137 to zero on Wednesday. On Friday, President Boris Yeltsin signed it.

Its passage is part of a wider, continuing debate inside Russia about civil liberties and the nature of the state now being shaped. Russia has adopted a constitution that guarantees all basic freedoms — including freedom of religion — and Russians are freer now than ever before in their history. Yet certain practices of repression and control still flourish, sometimes in clear violation of the constitution: the persistence of residency permits, for example, or police harassment of dark-skinned residents of Moscow.

With President Yeltsin's signature now on the bill, Russia takes another step back in this debate; outsiders are right to criticize. But there still will be far more religious freedom in Russia than in, say, Saudi Arabia or China. The law was adopted democratically by an elected parliament. For the U.S. Congress to cut off aid, even while the debate in Russia remains unresolved, would be shortsighted.

—THE WASHINGTON POST.

Aid and Human Rights

American foreign policy has long been stained by the use of Washington's military aid abroad against innocent civilians. American weapons have supplied death squads. Aid designed to fight drugs has instead often gone to fight guerrillas whose activities concern foreign militaries more. Human rights groups even charge that American-supplied helicopters have been used to strafe villages.

Now the U.S. Congress could help eliminate these blots through an amendment to this year's foreign aid bill. The legislation, offered by Senator Patrick Leahy of Vermont, would block American assistance from going to any unit of a foreign security force where there is credible evidence that the unit has committed gross violations of human rights. An exception can be made if the government is bringing those responsible to justice.

A similar amendment was blocked earlier this year, mainly by Representative Benjamin Gilman, chairman of the House International Relations Committee. The continued opposition of Mr. Gilman, who has supported human rights in other contexts, is puzzling, as the amendment would not cut off aid to any police or military branch willing to assure that it will be used properly.

Such guarantees are not easy to monitor. In Colombia, which boasts the most brutal military in the hemisphere, U.S. Embassy officials have said they cannot always tell where all their military aid goes. Embassy officials need to be dogged in their pursuit of information on the recipients' human rights records. They should not accept the assurances of their client militaries, but work with respected groups that track human rights.

The amendment would be worth passing if it did nothing more than encourage the establishment of a tracking system. But it could also put pressure on foreign soldiers to respect human rights and could help crack the wall of impunity that shields abusive officers in many countries.

—THE NEW YORK TIMES.

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Bosnia: Work Out a Partition, Then Stand Aside

By A.M. Rosenthal

NEW YORK — The United States has no exit strategy from Bosnia — a failure almost as shocking as its entrance strategy. By sending its troops into Bosnia, America accepted and became the only prop of a West European policy that ignited the Bosnian war and helped keep it going for six years.

Now the Clinton administration sends out unapologetic signals that for the third time it will break its promises of a deadline for removing U.S. troops. It talks in jargon of keeping troops in Bosnia indefinitely. Perhaps this will at last move the public and Congress to revulsion and revolt.

The time has come, shamefully overdue, when Americans must look straight at the mess we entered, realize that Western policy has failed and that in mercy to Bosnians and responsibility to our troops, we must seize the workable solution that stares at us.

But no clear planning or thinking can take place until Americans are willing to understand how the tragedy came about. What happened six years ago has been Bosnia's disaster ever since.

In 1991 the West, prodded by Germany, pushed to turn Bosnia, part of the disintegrating Yugoslavia, into a single independent nation, which it had never been. But the Bosnian Serbs and Bosnian Croats had no intention of trusting their future to each other or to the third group in Bosnia, the Bosnian Muslims.

Western arrogance and insensitivity about Bosnian reality resulted in a war among the three groups. Western Europe refused to end the slaughter and atrocities by sending enough troops and weapons to do the job until the United States committed itself militarily. Americans will ponder what that means about expanded U.S. commitments if NATO is enlarged.

The Bosnia solution is as obvious now as in 1991: partition. But the West, including the United States, decided that was a shocking idea, to be prevented by force. The same attitude would mean that the West should use its troops to unite Greek and Turkish Cypriots, unite Ireland, create one Korea and block a Palestinian state.

By the time Bill Clinton bowed to European pressure and broke his promise not to send Americans into combat in Bosnia, Bosnian Serbs had suffered defeat. They were trounced by Croats — not just the Bosnian Croats but the armed forces of Croatia itself. That defeat, combined with U.S. bombing of Bosnian Serbs, brought a cease-fire — not a peace but at least an end to the killing.

What to do then? At the Dayton meeting summoned by Washington, Croats got what they wanted: a Bosnian Croatia, 25 percent of the land. It was supposed to be part of a federation with the Muslims. A bad joke; Croatia virtually absorbed Bosnian Croatia and drove out Muslims and Serbs.

The Bosnian Serbs got not only 49 percent of the land but a Serbian republic within Bosnia. The Muslims wound up with 25 percent, Sarajevo as the capital of a nonfunctioning unified state and promises of heavy U.S. military aid.

So Bosnia got the worst possible deal: three entities, but each crippled by the struggles brought on by the fiction of unity, refugees who could not return to villages where they are considered enemies, and war criminals still prancing about. The peace Bosnians could have had in 1991 without carnage is nonexistent. Instead of facing reality at last, Washington campaigns to keep forces in Bosnia indefinitely.

Adding impudence to failure, the Clintonians insult Americans who object, accusing them of "cutting and running," creating another Munich, and taking the team off the football field before the game is over. For hundreds of thousands of Bosnians killed or massacred in a war that need not have been, it is indeed all over, everything.

For Congress to agree to indefinite postponement now would be to countersign continuing the tragedy. Congress should demand that the time left until the current deadline expires next June should be used not to simply plan longer commitment of troops but to work out partition. As three nations separated by international borders, Bosnians can then get about their responsibilities — and whatever their own animosities and the West's interference have left of their lives.

The New York Times

In the American Heartland, Reaching Out to a Moving World

By Jim Hoagland

NORMAN, Oklahoma — David Boren yielded the power and perks he amassed in the Senate to become president of the academically quiescent University of Oklahoma three years ago. The Beltway Bunch scratched their heads in disbelief or wonderment at this descent from Parnassus to Podunk.

The 12 previous OU presidents labored to build a university that their football teams could be proud of, or spent their time fighting the state legislature over such progressive issues as dancing and playing cards on campus. Political Washington assumed that Mr. Boren had in his early 50s buried in the sands of Norman the presidential or cabinet ambitions that once seemed to dance in this Democrat's quick mind.

That is less clear here on the ground at this school of 20,000 newly energized souls. Mr. Boren's experience in turning the university into a center of international outreach shows that there is life after Washington. It also testifies to the growing disconnect between American politics and the U.S. role in the world today.

That disconnect surfaces most visibly in the penchant in Congress to impose American law, family values and religious faith, as defined by Congress, as the international norm. Increasingly, Congress uses a legislative blunderbuss where a foreign policy scalpel is needed. The blunderbuss gets immediate attention and campaign contributions.

But equally serious is the disconnect between many politicians in Washington and their constituents, particularly the younger ones who will soon take over the nation's businesses, academic institutions and politics. The constituents seem connected to a changing world in ways that rarely get reflected in Washington's daily battles for influence, prestige and money.

Attending a conference on U.S. foreign policy and the 21st century organized here by Mr. Boren, I found myself more intrigued by the questions that students, parents and faculty asked than the answers given by Washington hands and diplomats.

The conference reflected Mr. Boren's tenure as chairman of the Senate Select Committee on Intelligence. One speaker was George Tenet, a former committee staffer pushed to prominence by Mr. Boren and now director of the Central Intelligence Agency. Three former directors, Richard Helms, William Webster and R. James Woolsey, also appeared on a panel. They received a few questions on covert action abroad and other spook subjects. But the most engaged question came from a student wanting to know about privacy protection for American citizens from CIA and FBI snooping in the electronic era.

When Henry Kissinger spoke at dinner, students insisted he square his commitment to China's government with America's ethical standards and historic commitment to individual rights. A parent sitting beside me had another concern: How could American tobacco companies be allowed to export commercial death and disease to developing nations? What would Congress do about it?

On another panel I mentioned the low rate of e-mail usage in France as an indicator of a widening technological gap across the Atlantic. This topic, not weighty views on NATO expansion or European monetary union, triggered follow-up questions from students.

Being here has enabled Mr. Boren to be in touch more directly with the new currents of globalization as they brush the heartland. Nearly 2,000 students from 104 other countries study at the Norman campus. Mr. Boren points out they are among the 500,000 foreign students who annually bring $7 billion into the U.S. economy.

That street is not really two-way, this former Rhodes scholar frets. Of 80,000 American students abroad, only 5,000 go to countries other than England, France or Germany. That is one reason Mr. Boren has focused much of his fund-raising and proselytizing on programs that encourage students to travel and study in China and the Pacific, or learn here about that region and the rest of the world.

I wondered before I came whether Mr. Boren, a governor before spending 15 years in the Senate, could hold legislative support for his ambitious foreign-centered programs in a state frequently stereotyped as insular and rural. My conversations here led me to conclude that his clout is still strong enough to do that.

More surprising was my sense that he is pushing on an open door: People here understand that the earth is moving beneath their feet as global technology, trade and communications reshape their lives.

Let's think of it as Boren's Law: By leaving Washington, leaders can catch up with their followers.

The Washington Post

These Reformers Would Enlarge a Speech-Rationing Machine

By George F. Will

WASHINGTON — Almost nothing that preoccupies Washington is as important as Washington thinks almost all its preoccupations are. But soon Congress will consider some version of the McCain-Feingold campaign-financing bill, which raises "regime-level" questions. It would continue the change for the worse of American governance. And Washington's political class hopes the bill's real importance will be underestimated.

With a moralism disproportionate to the merits of their cause, members of that class — including the exhorting, collaborative media — are mounting an unprecedentedly sweeping attack on freedom of expression. Nothing in American history — not the left's recent campus "speech codes," not the right's depredations during 1950s McCarthyism or the 1920s "red scare," not the Alien and Sedition Acts of the 1790s — matches the menace to the First Amendment posed by campaign "reforms" advancing under the protective coloration of political hygiene.

> *Today's campaign reformers want a steadily thickening clot of laws.*

Such earlier fevers were evanescent, leaving no institutional embodiments when particular passions abated. And they targeted speech of particular political content. What today's campaign reformers desire is a steadily thickening clot of laws and an enforcing bureaucracy to control both the quantity and the content of all discourse pertinent to politics.

By the logic of their aims, reformers cannot stop short of that. This is so, regardless of the supposed modesty of the measure that Congress will debate next month.

Reformers first empowered government to regulate "hard" money: that given to particular candidates. But there remains the "problem" of "soft" money: that given to parties for general political organizing and advocacy. Reformers call this a "loophole." Reformers use that word to stigmatize any silence of the law that allows unregulated political expression. So now reformers want to ban "soft" money. But the political class will not stop there.

Its patience is sorely tried by the insufferable public, which persists in exercising its First Amendment right of association to organize in groups as different as the Sierra Club and the National Rifle Association. One reason people so organize is to collectively exercise their First Amendment right of free speech pertinent to politics.

Therefore reformers want to arm the speech police with additional powers to ration the permissible amount of "express advocacy," meaning speech by independent groups that advocates the election or defeat of an identifiable candidate.

But the political class will not stop there. Consider mere issue advocacy — say, a television commercial endorsing abortion rights, mentioning no candidate and not mentioning voting but broadcast in the context of a campaign in which two candidates differ about abortion rights. Such communications can influence the thinking of voters. Can't have that, other than on a short leash held by the government's speech police.

So restriction of hard money begets restriction of soft, which begets restriction of express advocacy, which begets regulation of issue advocacy — effectively, of all civic discourse.

The political class is not sliding reluctantly down a slippery slope, it is eagerly skiing down it, extending its regulation of political speech in order to make its life less stressful and more secure. Thus is the First Amendment nibbled away, like an artichoke devoured leaf by leaf.

This is an example of what has been called the "Latin Americanization" of U.S. law: the proliferation of increasingly rococo laws in attempts to enforce fundamentally flawed laws. Reformers produce such laws from the bleak premise that unfettered participation in politics by means of financial support of political speech is a "problem" that must be "solved."

One reason the media are complacent about such restrictions on (others') political speech is that restrictions enhance the power of the media as the filters of political speech, and as unregulated participants in a shrunken national conversation.

When Senator Mitch McConnell, the Kentucky Republican, and others filibuster to block enlargement of the federal speech-rationing machinery, theirs will be arguably the most important filibuster in American history. Its importance will be attested by the obloquies they receive from the herd of independent minds eager to empower the political class to extend controls over speech about itself.

Washington Post Writers Group.

Beware the Corporate Behemoths

By Jeffrey E. Garten

NEW YORK — The recent consolidation of firms on Wall Street accelerated on Wednesday when the Travelers Group announced its intention to pay $9 billion for Salomon Brothers. Now the deal will be scrutinized from every angle: How will shareholders fare? How powerful will the new firm be? Who will be laid off? But one question should not be forgotten: Are these financial megamergers in the public interest?

It is no mystery why these behemoths are evolving. For the first time in half a century, deregulation is permitting banks to operate nationally and banking and securities underwriting to be done under one roof. On top of this, a more open and competitive world market requires firms with deep pockets and global reach. Mergers also save money because back office operations and investments in new technology can be consolidated.

But the rapid evolution of the financial system into a handful of conglomerates raises serious concerns. A few big banking supermarkets will simultaneously manage our savings, underwrite and distribute stock offerings, engineer and bankroll mergers and corporate restructurings, invest their own capital in big firms and in startups, and engage in speculative trading in risky options and futures contracts.

The sheer size of these firms will lead to ever more impersonal service, particularly for the average American with a checking account. Because their internal corporate cultures will be so hard to shape and manage, there will also be more opportunity for unsavory ethical practices — a recurrent problem in the financial industry anyway.

But the most worrisome problem is that these new Goliaths will touch every American citizen and corporation, and will be so intertwined with major financial firms around the world that they will never be allowed to fail. Knowing that they cannot go belly-up, these firms may take even more risks than they now do. On the one hand, taxpayers may be called upon to shore them up when they get into big trouble. But even if that doesn't happen, financial firms that are not disciplined by real threats of failure could create economic havoc by financing too much or too little and by exaggerating the rising volatility in world stock markets and currencies.

None of the giants that are emerging would deliberately take foolish risks. But several factors could lead them into dangerous territory. They will be ferociously competing with one another and with their European and Asian rivals. The firms' top managements will be increasingly reliant on computers to assess investments precisely when human judgments about risk have never been more critical.

In addition, our regulatory system, comprising the Federal Reserve, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, stock exchanges and numerous state authorities, may be too fragmented to keep up with the new conglomerates.

The changes deserve close public scrutiny. At a minimum, continuous oversight by Congress of the broader trends ought to be used to inform the public. In addition, those who head up the new financial giants need to accept responsibility for much more than providing value to their own shareholders. Like it or not, these leaders, as well as their top lieutenants, also have a responsibility to the public. The boards of these behemoths also need to be vigilant, independent and technically qualified. It would not be a bad idea, in fact, to set aside a directorship in big firms for someone who is nominated by the Fed or the SEC.

Mild as these measures may sound, it will be hard to persuade politicians and business leaders to take even these steps. The objective should not be to ignore market pressures but to recognize the potential risks to the public interest in the changing face of Wall Street.

The writer, dean of the Yale School of Management, is a former undersecretary of commerce in the Clinton administration and a former managing director of Lehman Brothers and the Blackstone Group. He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Women at Work

LONDON — The way women are crowding the sterner sex out of billets in commercial pursuits is becoming more apparent. Mr. B. de Beare, of the late Sir Isaac Pitman's commercial school, said: "The competition is certainly very keen and the demand for girls as shorthand writers and typewriters is growing. There was once a great deal of conservatism in regard to the employment of women in London, but that has all been got rid of now, but lawyers die hard and we notice that the legal profession is somewhat conservative still in the matter."

1922: King Abdicates

ATHENS — King Constantine abdicated this morning [Sept. 28] on news of grave revolutionary outbreaks in various centres in Greece and in the islands. It is not yet certain who will succeed him on the throne, but it is stated that the King abdicated in favor of Crown Prince George. The Cabinet of M. Triantaphilacos tendered its resignation. The internal situation is regarded as extremely serious, but the aspect of Athens has not altered much from what it has been these last few days.

1947: Indian Rebellion

BOMBAY — Samaldas Bilaxmidas Gandhi, portly nephew of non-violence disciple Mohandas K. Gandhi, was elected Premier of a revolutionary government which then declared war against the Nawab of Junagadh, a group of states in Western India. Samaldas Gandhi's government was the outcome of a mass meeting of Junagadh's predominantly Hindu population, which opposed the Moslem nawab's decision to accede to Mohammed Ali Jinnah's Dominion of Pakistan.

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A Torqued Ellipse? Serra Brain-Teasers

By Michael Kimmelman
New York Times Service

NEW YORK — In Rome a few years ago, Richard Serra saw the oval volumes of Borromini's Church of San Carlo alle Quattro Fontane and wondered, what would it be like to make a sculpture in the form of a torqued ellipse? Imagine a wide belt of steel standing on its edge to form an oval enclosure but twisting so that its top and bottom are not aligned. Now imagine a belt the size of a trailer.

If this seems tough to visualize, it is: You've got to see the sculpture to get it, and even then it's no simple matter. But, after all, what makes Serra formidable is how he reinvents basic shapes, or space within shapes; they're hard to picture precisely because we have never encountered them this way before. And what could be more basic to the task of sculpture than that?

These are amazing works; suffice it to say that even Serra grasped the concept of a torqued oval only after taking two pieces of wood, shaping them into ellipses, nailing a dowel between them, twisting them and then using this device to make a lead model of what the thing might look like in steel.

With help from an engineer in the architect Frank Gehry's office, he got a computer program to calculate the forms, then searched for a fabricator until he found a shipyard and rolling mill in Maryland with a machine from World War II designed for making battleships. It was one of the few equipped to bend 16-foot steel plates to his unprecedented requirements.

It took nearly a year for Serra to make just the first sculpture. He has produced four, in all, each with a different degree of torque: One is 90 degrees, another 55 degrees. "Double Torqued Ellipse" consists of two twisting ovals, one inside the other (think distantly of Russian nesting dolls); each of the double ellipses is bent 70 degrees on itself.

Three of the sculptures are now together at the Dia Center for the Arts, in what formerly was the Arnulf Rainer Museum, cleared out to make a single wide-open gallery of white walls and concrete floor below a skylit ceiling of interlaced and cross-braced wood trusses. The sculptures, on display through June 14, 1998, are slit so that they can be entered, making eccentric enclosures within the gallery. Bullrings can come to mind. Combined, they play off one another, and also against the elaborate ceiling, multiplying the variety of angles and relationships among the different fun-house forms.

Say what you will about the scale of Serra's art and ambition. Most of us, assuming for whatever reason that we dreamed up a torqued ellipse, at some point along the way might have settled for something smaller or used a material less recalcitrant than steel.

But Serra does not settle. He knew that the effect of the spaces depended on steel plates of this size, and he was right. That is, he wanted a kind of architectural space, yet not a form exactly in architecture, and when a few architects suggested that he use concrete instead of steel, concrete being easier to mold, he said the results would look too much like architecture, not enough like sculpture. The difference clearly involves the stress in bent steel, which would be lost: By treating steel like rubber — as elastic, which it is not — there arises a tension that Serra has called gravitational pull. A simpler way of putting it is that the sculptures, disorienting and agitated, are an enveloping experience, but you wouldn't want to live in them.

The sculptor reinvents basic shapes, or space within shapes.

THEY are still akin to architecture, of course, and it seems clear that Serra has looked at Gehry, besides Borromini. But mostly the sculptures suggest Serra's own early rubber works from the 1960s, reconceived by being, as it were, melded with enclosing, space-defining steel pieces of the '70s.

What comes from this mix of big enclosing forms with bent ones turns out to be shapes oddly impossible to resolve in the mind. From no place, except maybe above, though probably not from there either, can you get an overall sense of any one of these twisted ellipses because they're too complicated, and undulating. To walk around the outside of a sculpture doesn't really tell you what the inside is like, nor vice versa, a frustration that sends you back and forth, looking to reconcile inside with out, vainly.

An Awakening Giant in the Market

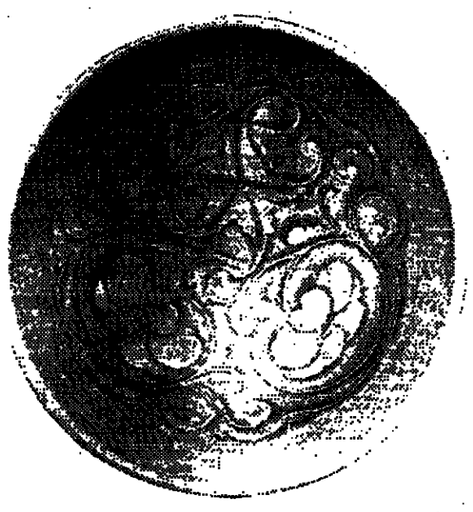
International Herald Tribune

NEW YORK — Slowly, but surely, a new giant is growing in the world of collecting. It is called Chinese art and this month, in New York, now the hub of the Far Eastern art market, it displayed its irresistible strength.

By a unique coincidence, two collections, one formed in the United States and the other in Hong Kong, happened to tumble onto the

SOUREN MELIKIAN

market on the same day, Sept. 18. The first one remains on view, beautifully displayed at J.J. Lally & Co., 41 East 57th Street, until Oct. 18, even though its 25 ceramic vessels, mostly of the 12th and 13th centuries, had been sold from the catalogue, with one exception, by the time the show opened. The small collection sums up American connoisseurship at its most refined. It was built up over two decades by Robert Ferris, a painter who lives in Windsor, Vermont. A group of his paintings in acrylic and Japanese ink on paper, also on view at Lally's, yields some interesting clues to his perception. The landscapes, evocative rather than descriptive, depict a world seen through a pale mist from which humans are conspicuously absent. One surmises an inclination toward meditation, silence, understatement.



J.J. Lally & Co

Yaozhou celadon bowl of the 13th century.

It is no surprise to hear from Ferris that he became a practicing Buddhist in 1982. The painter came to collecting Song pottery he says, under the influence of his sister, Susan Hatch, who is a potter of the Bernard Leach school, and of his friend of many years, James J. Lally, now one of America's leading dealers in Chinese objects. But, as Lally puts it, "You could talk him out of buying a piece, never into getting one."

A GLANCE at the collection will persuade even a casual observer that each piece was bought with immense care by a man in pursuit of a clear-cut aesthetic vision.

Much of Song pottery, his field of election, is about monochrome hues subtly graded, paling along the edges in a way that both enhances and softens the shape. A $250,000 celadon censer from the Lungquan kilns, probably 12th century, is the ultimate in that line.

So is another censer, priced by Lally at $150,000. The cylindrical form has the merest curvature to its walls and looks ethereal under the light-blue glaze of *junyao* as the Northern Song ware of the 11th to 12th century is called. Ferris saw the censer in 1983 at Eskenazi's of London. He was desperate to get the piece, unique in that combined shape and glaze. The dealer, responding to the yearning of a collector whose means he knew to be limited, charged him a very moderate $30,000.

An unusual set of circumstances allowed the painter to acquire one of the most beautiful Song vessels in existence. The squat jar with wide round shoulders is covered in drapes of motley green and mustard-yellow glaze. Three birds in flight are painted in bold rusty-brown strokes as if dashed off by some Zen artist.

Hugh Moss had it in London in 1979 at the time he was about to relocate in Hong Kong. The Japanese dealers who then dominated the market were dying to buy it but kept questioning its authenticity simply because, as a dealer who was a witness to the event said later, tea-dust glaze had never yet been seen on a Song piece. Exasperated by their skepticism and touched by the collector's intense admiration, Moss let Ferris have the jar for $34,000.

The bird jar, which Lally now puts at $80,000, like the Lungquan celadon censer and the junyao cylindrical vessel, became part of a package deal negotiated by Ferris at cut prices for the benefit of the Fogg Art Museum in Cambridge, Massachusetts. Robert Mowry, professor of Chinese Art at Harvard and curator of Chinese collection at the Fogg, with whom the artist had spent long hours learning about Song pottery, was given the opportunity of picking out the five pieces he wanted most.

These also include a fabulous celadon *yaozhou* bowl of the 13th century with swirling blossoms carved under the green glaze that has a vigor to it, more akin to the Japanese than to the Chinese approach to Song art.

"I would have given it all away, if I could," the painter told me with obvious sincerity. Why sell at all? "I always saw myself as the custodian of these objects, not the owner. And I am not a wealthy man."

The new custodians will largely be American. A powerful vase with fluted body covered in a black glaze that is set off by the white filets to the vertical edges of the flutes was bought by a New Yorker for $120,000. Two of the most ravishing pieces, however, a tea bowl with the outline of a leaf coming through the black glaze at the bottom and a junyao bowl with purple splashes suggestive of bird heads, will go to Switzerland at a cost of $65,000 and $160,000, respectively. Europe loves Chinese pottery at least as much as America does.

But already Chinese collecting is beginning to overtake European and even American collecting. The trend was illustrated on Sept. 18 by the sale of Part III of "The Jingguantang Collection" at Christie's. No one is quite sure why the Hong Kong businessman T.T. Tsui is parting with chunks of a gigantic collection of Chinese art believed to exceed 10,000 pieces, many of them of superlative museum quality. Some of the outstanding objects are reported in the trade to have been negotiated privately by Christie's on behalf of Tsui. Even creamed, what comes up at auction can be impressive.

Part of it returns to Hong Kong. For the moment, Chinese preference goes mostly to the arts traditionally admired by Chinese scholars — later porcelain and jade, bamboo sculpture. At the Jingguantang sale, the Hong Kong dealer Elegant Wong bought yellow porcelain pieces inscribed with imperial marks that multiply the value of a bowl tenfold in Chinese eyes. He also acquired a jade marriage bowl incised with the Jiaqing (1796-1801) mark for $18,400. A furious bidding match between Wong and his colleague C.C. Lai, also from Hong Kong, sent an exceedingly rare jade box of the 18th or early 19th century carved in the shape of a duck flying to $101,500. Lai won.

THIS week the bidding matches continued. On Tuesday at Sotheby's, Wong outbid Lai over a famille rose peach dish with the Qianlong mark (1735-1796), which ended up at a dizzying $189,500. At the same time American bidding stepped up, accounting for 75 percent of the sold total by value, $6.2 million, against only 47 percent in Christie's three sales of objets d'art on Sept. 18, which totaled $7.5 million. Not all of it was reflected in Sotheby's statistics. Eskenazi, who paid $706,500 for a Kangxi set of 12 famille verte month cups, was bidding on behalf of a U.S. collector.

New U.S. buyers keep turning up at every sale. No dealer had ever seen the New Orleans buyer who acquired, on Sept. 23, six large Tang figures variously affected by restoration for a hefty $222,500. The heavy buy-in figures (40 percent of the lots remained unsold at Sotheby's on Sept. 23) reflect an artificial attempt to push up prices through excessive reserves, not the weakness of the market, which is effervescent.

In the short term, much will depend on what happens next in Hong Kong. In the longer term, Chinese art can only go up, bolstered by a simple reality: 1.2 billion souls in continental China, and a soaring affluent class thirsting for cultural respectability, which, in the Chinese tradition, equates with porcelain, jade and the scholar's objects.

2 Leaving Sotheby's

International Herald Tribune

LONDON — Sotheby's is losing one of its leading figures. Simon de Pury, chairman of Sotheby's Europe, whose wide network of connections in the art world on one hand and the European establishment on the other, made him a prime business-getter in 19th- and 20th-century paintings, will step down on Nov. 1. Henry Wyndham becomes chairman of Sotheby's Europe.

De Pury and Daniella Luxembourg, deputy chairman of Sotheby's Switzerland, who is also leaving Sotheby's on Nov. 1, will become partners in a joint venture. They will set up an art fund as a private company on the request, De Pury said in a telephone interview, of "a small group of international collectors, with a view to buying and selling art. The emphasis will be on late 19th- and 20th-century paintings."

—SOUREN MELIKIAN

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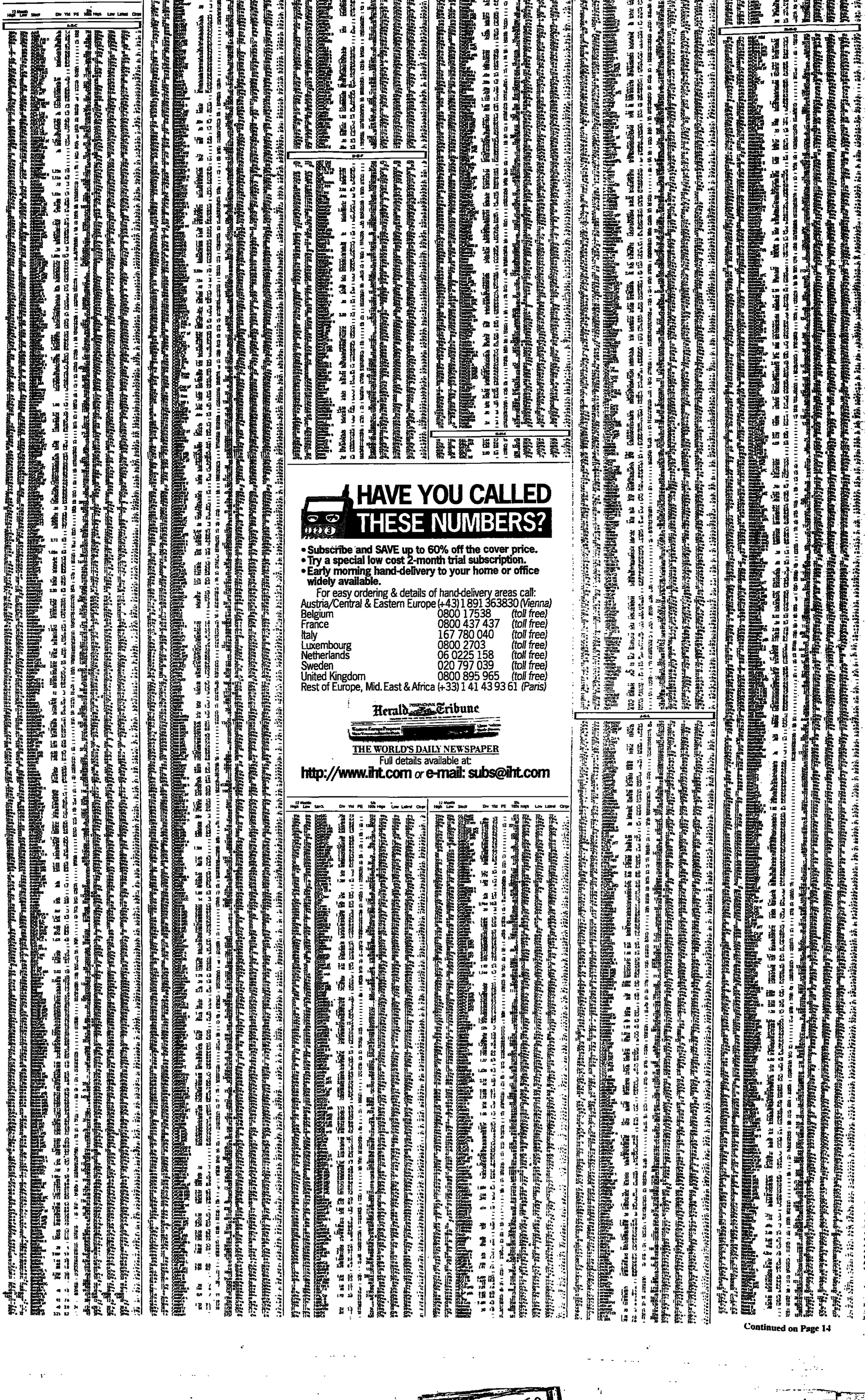
Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.



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Continued on Page 14

Herald Tribune (International)

BUSINESS/FINANCE

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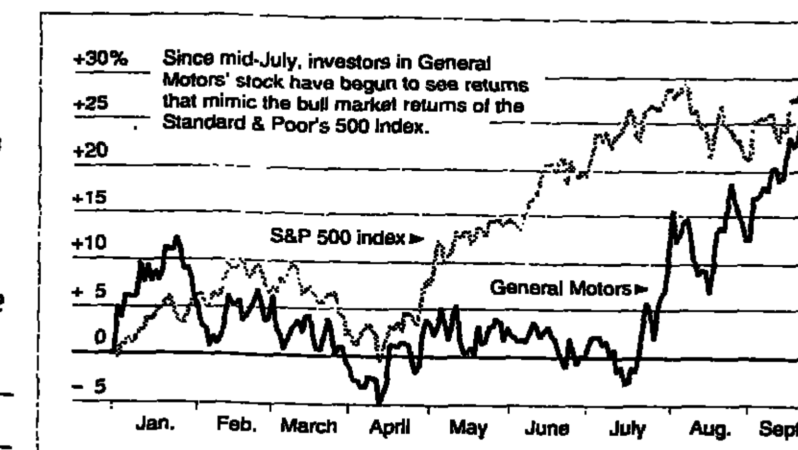
SATURDAY-SUNDAY, SEPTEMBER 27-28, 1997

GM's Stock Finally Gets Out of Idle

Gains in Market Share Help to Fuel Its Rise

By Robyn Meredith
New York Times Service



Source: Bloomberg Financial Markets

The New York Times

DETROIT — General Motors Corp., a sleeping giant on Wall Street, has reawakened.

In the past two months, GM's shares have risen about 20 percent after treading water over most of the previous three years. Some analysts predict that GM's stock will continue its climb.

The turnabout has come as the company's market share in the United States has improved and its labor troubles seem to have receded.

Apparently, investors have decided that the stock, with a rock-bottom price-to-earnings ratio, is a bargain after more than three years of poor performance.

GM executives share the optimism.

"My judgment is that with the high prices for growth stocks, the market is backing away from that and they're looking at cyclicals — and looking at cyclicals that have good value — and we happen to be there," John Smith Jr., GM's chairman and chief executive, said while speaking with reporters in Frankfurt this month.

Wall Street auto analysts said the run-up in GM's stock, which began in July, partly reflected optimism that the company's long-promised turnaround could be materializing.

"The sentiment has changed on GM," said David Bradley of J. P. Morgan Securities. "The cloud that hung over General Motors has lifted."

Skies had been gray for a long time. After war broke out in the Gulf in 1990, GM's shares fell to the $30 range after touching about $50. They rebounded briefly in 1992, only to slip back to $29.125 shortly before Mr. Smith replaced Robert Stempel as chief executive.

About 18 months later, the stock climbed as high as $64.75 a share before slipping back again into the mid-$50s. Much of this year, it has traded between $54 and $58. It closed at $54.25 on July 15 and began its run-up within days.

Last Friday, GM's stock ended the day at a record $69.5625. Since then, it has faltered, but analysts blame the decline on profit-taking. GM shares closed Friday at $65.9375, up 81.25 cents.

Many Wall Street analysts say the stock has room to rise further in the next few months. Wendy Beale Needham of Donaldson, Lufkin & Jenrette predicts that GM shares will reach $81. Joseph Phillippi of Lehman Brothers said the stock could reach $75.

GM's Mr. Smith refused to specify a target but said that the company's price-to-earnings ratio of less than 9 was low. "We see that as being a number that could increase," he said.

Sentiment has changed for the automaker, the world's largest, which has been struggling to right itself since the boardroom coup that ousted Mr. Stempel in favor of Mr. Smith.

Many Wall Street analysts say that General Motors' stock, with a P/E ratio of less than 9, has room to rise further in the next few months.

"The ship is finally starting to turn," Mr. Phillippi said. He and other analysts point to a number of reasons Wall Street has gained confidence in GM's stock.

Perhaps most important, value investors have begun looking to General Motors and some other auto stocks because their price-earnings ratios make them seem like bargains compared with stocks that have risen significantly in the bull market.

While GM's P/E ratio is below 9, the average for the 500 stocks in the main Standard & Poor's index is nearly 24.

"It is hard to find stocks with single-digit multiples whose earnings are decent," said Maryann Keller, an auto analyst with Furman Selz, a New York investment banking and brokerage firm.

Mr. Phillippi of Lehman Brothers said value investors were becoming interested in auto stocks and added, "People are basically saying these stocks are cheap."

Perhaps the most obvious reason for the optimism about GM is the turnabout in the company's market share, which had steadily shrunk since the early 1960s, when it was about 60 percent.

All year long, General Motors has promised investors that if they would only be patient, they would see the company's market share rebound as buyers latched onto the 15 redesigned models it had begun selling in 1997.

GM's share of the U.S. market fell to a low of 28.7 percent in June. But to the relief of Wall Street, it has steadily climbed since, to 31 percent in July and 32 percent in August.

Also, an end to its labor problems seems in sight. "I personally think that GM has come to their senses," Stephen Yokich, president of the United Automobile Workers union, said this month. GM has faced nine costly strikes in the past year and a half as it tried to negotiate agreements with its 105 local union bargaining units. It has now reached agreements with all but four.

Analysts expect GM's earnings to be strong, partly because auto sales have been healthy this summer after a rocky first half.

While third-quarter earnings are expected to be weaker than last year's third quarter, analysts are forecasting a robust second half because of an expected strong finish in the final three months of 1997.

U.S. Sets Dumping Duty on NEC

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. International Trade Commission voted Friday to impose duties on exports of supercomputers made by NEC Corp. of Japan to the United States.

The independent trade panel, in a unanimous ruling, upheld a decision last month by the Commerce Department, which imposed hefty anti-dumping tariffs on NEC supercomputers.

The commission found that the U.S. industry was being threatened by the Japanese imports.

The finding of injury or threat of injury to the U.S. industry means the duties set by the department will go into effect.

The Commerce Department began its investigation into Japanese supercomputers in August 1996 after a petition was filed by the U.S.-based Cray Research Inc., which is owned by Silicon Graphics Inc.

Cray filed the complaint after it lost a $35 million contract to NEC to supply a supercomputer system to the University Corporation for Atmospheric Research, a research group that is funded by the National Science Foundation.

The Commerce Department found that NEC and Fujitsu Ltd. were dumping, or selling at less than fair value, their supercomputers in the U.S. market.

It set anti-dumping duties of 454 percent of their price against NEC, 173.08 percent against Fujitsu and 313.54 percent on all other Japanese firms.

At the time, the Commerce Department said the duties were set so high because NEC did not participate in the U.S. anti-dumping investigation, while Fujitsu pulled out after a preliminary ruling in favor of Cray.

As a result, the department relied on information provided by Cray.

But the commission's decision can be appealed to the U.S. Court of International Trade in New York, which has jurisdiction over civil action against U.S. interests involving U.S. trade laws.

NEC said it would appeal the ruling.

"This dumping case is the latest in a series of barriers erected by the U.S. government to bar Japanese supercomputers from the U.S. market," said Samuel Adams, vice president of NEC's U.S. subsidiary.

Cray welcomed the decision, saying it would "prevent the Japanese vendors from continuing their unfair trade practices in the U.S." *(AFP, Reuters)*

Can the World Bank Dent Corruption?

Officials Say They Can't Gauge Success of a Yearlong Campaign

By Philip Segal
Special to the Herald Tribune

HONG KONG — A year into the World Bank's renewed anti-corruption drive, it has a considerable problem: Bank officials say they have little or no idea how well the effort is working.

As the World Bank's annual meeting wrapped up here Thursday, its president, James Wolfensohn, hailed the progress his officers had made in communicating the bank's new message that corruption in bank-funded projects would not be tolerated and that it would withdraw from countries that did not demonstrate seriousness about tackling corruption.

But bank officials in charge of the anti-corruption drive, asked this week whether the corruption situation was actually getting better or worse in the developing world, shied away from firm answers.

"The perception of corruption is as important as the reality," said Jean-Michel Severino, the bank's vice president for East Asia and the Pacific. "There are no objective statistics."

"I can't answer that," said Danny Leipziger, division chief for regulation in the bank's Economic Development Institute.

Until a year ago, corruption was not even discussed at World Bank meetings, even though businesses routinely cite corruption among their top impediments to successful commerce. While corruption may rage on in both Indonesia and China, for example, Mr. Wolfensohn gives all bank projects there a clean bill of health, saying they have passed internal bank audits.

What, then, is different about the World Bank under the anti-corruption regime?

To start with, the bank has tightened its own procurement practices, vowing not to buy anywhere that there is a whiff of corruption. It also has begun conducting surprise audits of its projects, said Masood Ahmed, head of the bank's Poverty Reduction and Economic Management Network, and its most senior official dedicated solely to fighting corruption.

If a health-care clinic is found to be selling some of its supplies on the black market, for example, the bank now will close that program immediately unless the government in the country concerned launches a satisfactory investigation, he said. If the program is eventually canceled, the bank will demand immediate payment of its loan in full, giving countries an added incentive to clean up wrongdoing themselves.

The next stage is a withdrawal from the country concerned. The World Bank and the International Monetary Fund have already suspended operations in Kenya because of concerns over corruption, and do little or no business in the Congo (formerly Zaire) and Nigeria, for the same reason.

"The task of managing corruption is for the government itself," said Mr. Wolfensohn. "The bank is not a world government, it's a financial institution."

To fight corruption "is really to put into place liberalization," said Mr. Ahmed. The more regulations government officials have to enforce and the more discretion they have in doing so, the more chances they will have to demand payment in exchange for a favorable finding.

The anti-corruption drive has spread well beyond the World Bank. The Organization for Economic Cooperation and Development has moved to make cross-border bribery illegal, and the European Commission said in March that all European Union trade and aid accords should include an anti-corruption "good governance" clause.

That is an important development, because unlike the United States, which forbids its companies from paying bribes abroad, several European countries not only allow the practice, but let companies write those bribes off their taxes at home.

In addition, it is no longer so often heard that corruption is simply part of the culture of some countries.

As Foreign Interest in Vietnam Cools, New Leaders Face Economic Reality

By David Lamb
Los Angeles Times

HANOI — After several years of heady growth and enthusiastic support from international investors and donors, Vietnam finds itself facing a sobering reality: Those forecasts that it would soon join the elite fraternity of Asian nations known as economic "tigers" were wildly premature.

Though Vietnam has made remarkable progress, the economy has slowed in recent months. Authorities from the World Bank to U.S. Secretary of State Madeleine Albright have criticized its slow pace of reform, and the eagerness of foreigners to get a toehold in Asia's newest emerging market has dimmed.

At the heart of Vietnam's slowdown is the inherent conflict of adopting a free-market economy while holding on to a Communist political structure.

These problems now belong to a new national leadership, chosen in secret by the Communist Party and confirmed this week by the elected 450-member National Assembly. The people who will take Vietnam into the 21st century are younger and better-educated than their predecessors and appear committed to continuing — and probably stepping up — economic reform.

"We badly need young leaders," the outgoing prime minister, Vo Van Kiet, said this week.

Replacing Mr. Kiet, 74, is Phan Van Khai, 63, a southerner and former deputy prime minister who is highly regarded by Western diplomats as a pragmatist and a reformist. The largely ceremonial role of president will be filled by Tran Duc Luong, 60, also a deputy prime minister. He takes over for Le Duc Anh, 76, an army general.

The new occupant of the country's most powerful political post, the secretary-general of the Communist Party — currently held by Do Muoi, 80 — will be chosen in the months ahead in secret by the Communist Party. Among those mentioned for the job is Le Kha Phieu, 65, an army political commissar who is considered an orthodox Marxist.

ECONOMIC SCENE

Although only 2 percent of the country's 75 million people belong to the Communist Party, and membership is by invitation only, Vietnam remains one of the world's few nations where communism still dictates the agenda.

But the party has shed its Marxist rhetoric, permitted the rubber-stamp National Assembly to express some independence and restated its commitment, in word if not always in deed, to developing a free-market economy.

Still, foreign investors are increasingly frustrated. With the decision-making process gridlocked for months as everyone waited for a new leadership to be named, Vietnam has been reluctant — and sometimes unwilling — to privatize state-run enterprises, consider a currency devaluation, accept capitalistic notions such as using unemployment as a tool of economic management or adopt legislation to create an effective judicial system.

"At least with a new leadership in place, an obstacle has been removed to making decisions," a Western diplomat said. "Whether Vietnam will actually make the decisions that are so essential is another matter. But I imagine they took note of China's plan to liberalize its economy and sell shares of state-owned companies."

At the National Assembly's opening session last week, Communist Party leaders talked in blunt terms about corruption, criticized a bureaucracy that is often unresponsive and voiced concern over demonstrations in Thai Binh, where former soldiers and retired government workers joined farmers in protesting corruption and taxation.

Almost everyone agrees that the heralded *doi moi*, or economic revival, program that started in 1986 has sputtered to a crawl. The United States, which quickly became Vietnam's sixth-largest foreign investor when Washington lifted its trade embargo in 1994, has slipped to 10th place on the list.

Some businesses have left Vietnam,

See VIETNAM, Page 15

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Entries must be received by December 8, 1997. All entries received after this date will automatically be entered into the July 1998 Draw.

HT279

CURRENCY & INTEREST RATES

Cross Rates

Sept. 26

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.982	3.1885	1.1263	0.3354	0.1153*	—	5.457*	1.3637	1.6415*	1.4305	1.334*
Brussels	36.33	58.3125	20.6415	6.147	2.1116*	18.33	—	25.1575	[illegible]	24.26	24.50*
Frankfurt	1.7545	2.8186	—	0.2977	0.1023*	0.8879	4.8451*	1.2114	1.4555*	1.2677	1.1844*
London (a)	1.4058	—	2.8337	9.51	2,765.43	3.1882	58.4033	2.3389	194.4142	2.2246	239.1037
Madrid	149.348	238.02	84.471	25.139	8.635*	74.956	4.0903	102.37	122.884*	107.201	—
Milan	1,713.90	2,759.95	977.20	290.98	—	868.75	47.372	1,183.25	14.221	1,228.35	11.582
New York (b)	—	1.6092 a	1.7588	5.9055	1,719.08	1.9806	36.27	1.4505	121.225	1.3848	148.42
Paris	5.981	9.468	3.3582	—	0.3435*	2.9817	0.1627	4.0722	4.8802*	4.2644	3.9745*
Tokyo	121.39	196.42	68.93	20.52	8.786	61.21	3.3487	83.71	—	87.73	0.8173
Toronto	1.386	2.2275	0.787	0.2344	0.0805*	0.6989	0.3813*	0.9541	1.1422*	—	0.932*
Zurich	1.454	2.3392	0.8254	0.2458	0.0844*	0.7328	3.997*	—	1.2034*	1.045	0.9778*
1 ECU	1.1173	0.6963	1.9633	6.593	1,919.35	2.2112	40.5207	1.619	134.877	1.5461	165.803
1 SDR	1.3686	0.8508	2.4812	8.0759	2,351.85	2.7085	49.5422	1.9828	165.871	1.8877	203.896

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York and Toronto rates at 4 P.M.
*a: To buy one pound: b: To buy one dollar: *Units of 100: N.Q.: not quoted: N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	277.53	Mex. peso	7.806	S. Afr. rand	4.674
Australian $	1.3814	Hong Kong $	7.7369	N. Zealand $	1.5581	S. Kor. won	915.10
Austrian sch.	12.337	Hung. forint	195.56	Norw. krone	7.0921	Swed. krona	7.5144
Brazil real	1.0951	Indian rupee	36.19	Phil. peso	33.40	Taiwan $	28.60
Chinese yuan	8.315	Indo. rupiah	3035.00	Polish zloty	3.43	Thai baht	34.70
Czech koruna	33.12	Irish £	0.6870	Port. escudo	178.30	Turkish lira	172605.
Danish krone	6.6727	Israeli shek.	3.4982	Russ ruble	5868.0	UAE dirham	3.6725
Egypt. pound	3.4003	Kuw. dinar	0.302	Saudi riyal	3.75	Venez. boliv.	496.75
Fin. markka	5.2426	Malay. ring.	3.131	Sing. $	1.525		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6013	1.5994	1.5971	Japanese yen	120.00	119.53	118.98
Canadian dollar	1.3810	1.3787	1.3705	Swiss franc	1.4449	1.4435	1.4420
Deutsche mark	1.7490	1.7457	1.7422				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 26

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅛ - 3¼	1 5/16 - 1 7/16	7 - 7⅛	3 5/16 - 3 7/16	½ - 9/16	4⅛ - 4¼
3-month	5⅝ - 5 11/16	3 5/16 - 3 7/16	1¼ - 1½	7 3/16 - 7¼	3¼ - 3⅜	7/16 - 9/16	4 5/16 - 4 7/16
6-month	5 13/16 - 5 15/16	3⅜ - 3½	1½ - 1 5/8	7¼ - 7⅜	3⅜ - 3½	½ - 5/8	4 5/16 - 4 7/16
1-year	5⅞ - 6	3⅝ - 3¾	1¼ - 1⅜	7 5/16 - 7½	3 11/16 - 3 13/16	9/16 - 11/16	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⅞	5⅝
90-day CDs dealers	5.59	5.60
180-day CP dealers	5.50	5.50
3-month Treasury bill	4.86	4.79
1-year Treasury bill	5.17	5.20
2-year Treasury bill	5.78	5.83
5-year Treasury note	5.98	6.03
7-year Treasury note	6.02	6.07
10-year Treasury note	6.08	6.13
30-year Treasury bond	6.36	6.40
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.47
1-month interbank	0.56	0.59
3-month interbank	0.54	0.54
6-month interbank	0.54	0.54
10-year Govt bond	2.14	2.13
Germany		
Lombard rate	4.50	4.50
Call money	3.08	3.08
1-month interbank	3.20	3.20
3-month interbank	3.32	3.32
6-month interbank	3.48	3.48
10-year Bund	5.53	5.70

Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7 1/16
1-month interbank	7⅛	7⅛
3-month interbank	7¼	7¼
6-month interbank	7⅜	7⅜
10-year Gilt	6.40	6.59
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3⅜
10-year OAT	5.48	5.44

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

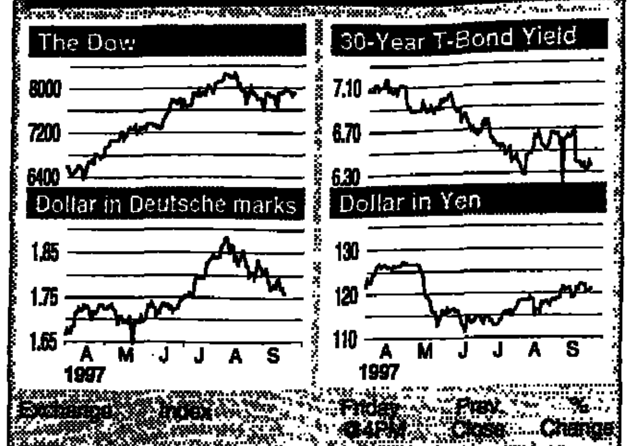
Gold

	A.M.	P.M.	Ch'ge
Zurich	325.95	326.75	+0.25
London	325.45	326.65	+2.05
New York	329.40	329.00	—0.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	7922.18	7848.01	+0.95
NYSE	S&P 500	945.20	937.93	+0.78
NYSE	S&P 100	913.59	905.94	+0.84
NYSE	Composite	495.20	491.52	+0.75
U.S.	Nasdaq Composite	1682.15	1678.89	+0.19
AMEX	Market Value	689.84	685.24	+0.67
Toronto	TSE Index	6971.30	6974.80	-0.05
São Paulo	Bovespa	11519.51	11319.29	+1.69
Mexico City	Bolsa	5244.42	5225.02	+0.37
Buenos Aires	Merval	826.88	815.22	+1.88
Santiago	IPSA General	5483.35	5460.55	+0.65
Caracas	Capital General	N.A.	10583.45	

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Leona Helmsley** turned over control of Helmsley-Spear Inc., one of New York City's largest real-estate management companies, to the two closest business associates of her late husband, Harry Helmsley, ending all litigation from a bitter feud that had hampered her ability to sell off a $5 billion real-estate empire. Helmsley-Spear still manages 86 buildings, including the Empire State Building, that generate about $25 million a year in revenue.

• **Nextlink Communications Inc.** shares surged amid strong first-day demand for the phone company founded by Craig McCaw. Nextlink shares rose $6.25 to close at $23.25 in heavy volume.

• **Federal-Mogul Corp.** offered to buy the British auto-parts maker T&N PLC for about $2.4 billion in cash and assumed debt.

• **Adobe Systems Inc.**'s chief operating officer, David Pratt, resigned and its president, Charles Geschke, was promoted to co-chairman in moves that analysts said might portend a push by the maker of PageMaker and other desktop-publishing and Internet programs to sell more software in the corporate market.

• **Coca-Cola Co.** plans to open four more bottling plants in Russia costing a total of $116.5 million, a company spokesman told Interfax news agency. The plants will be opened in Vladivostok, Krasnoyarsk, Nizhny Novgorod and Rostov. Coca-Cola currently controls about 20 percent of the Russian soft drinks market and has opened 13 plants in Russia since 1991.

• **Banco Bilbao Vizcaya SA** of Spain said it planned to invest about $800 million in a project to expand into the Brazilian market, according to a report filed with the stock exchange commission. The bank said that the Brazilian market was "a key objective within our general Latin American expansion policy."

• **Venezuela**'s government said it expected the country's inflation rate to fall to 15 percent in 1998, its lowest level this decade, from 35 percent this year. *Bloomberg, AFP, AFX, NYT*

U.S. GDP Growth Slows to 3.3%

Spending Data Ease Fears of Inflation and Fed Rate Increase

The Associated Press

WASHINGTON — American shoppers shunned stores in the April-to-June quarter, but businesses kept the economy advancing at a healthy rate by building their inventories and investing in new equipment at the fastest rate in 14 years.

The gross domestic product — the sum of all goods and services produced within U.S. borders — grew at a 3.3 percent seasonally adjusted annual rate in the second quarter, the Commerce Department said Friday. That figure is down from a torrid 4.9 percent rate in the first quarter.

The deceleration was much more abrupt in consumer spending, which accounts for about two-thirds of the economy. It slowed from a 5.3 percent growth rate in the first quarter, to just 0.9 percent in the second.

However, bullish spending by businesses on capital equipment salvaged the overall growth rate. Capital spending soared at a 23 percent annual rate, the fastest pace since the fourth quarter of 1983.

"Business investment has been very vibrant. Lately this has been a business-driven expansion," said Robert Dederick, economist at Northern Trust Co. in Chicago.

But inventory accumulation accounted for about one-fourth of the economy's growth in the second quarter, a level which analysts said was likely to restrain the expansion.

"Inventories will be a big drag on growth in the second half," said Bruce Steinberg, economist at Merrill Lynch in New York.

The overall 3.3 percent growth rate represents a revision from the 3.6 percent estimate a month ago. Smaller export growth than posted last month was the primary source of the revision.

Economists had originally thought second-quarter growth slowed more sharply, offering a welcome respite from any buildup of inflationary pressure and postponing any need for the Federal Reserve Board to damp economic growth by increasing short-term interest rates.

Indeed, a measure of inflation tied to the GDP rose at a mere 1.8 percent annual rate in the second quarter, the smallest increase in five years and down from 2.4 percent in the first quarter. Lower energy prices were the main reason for the slowdown.

On average, economists are predicting that growth in the second half of this year will slow to around a 2.5 percent rate. The preliminary third-quarter estimate is expected to be released at the end of October.

Bank to Buy Axle Maker

Compiled by Our Staff From Dispatches

NEW YORK — Blackstone Group, a privately held investment bank, said Friday that it would acquire American Axle & Manufacturing Inc., a major supplier of parts for General Motors Corp. and other vehicle manufacturers, for about $650 million.

The bank said its Blackstone Capital Partners II Merchant Banking Fund LP agreed to acquire a controlling stake in American Axle from Jupiter Capital Corp., a subsidiary of Park Corp., a holding company controlled by Raymond Park, a Cleveland industrialist.

Jupiter Capital will retain a minority equity position in American Axle, which supplies nearly all the axles for light trucks and sport utility vehicles manufactured by GM in North America.

Blackstone has made a specialty of acquiring industrial units and combining them to form new companies. In June, it bought Inco Ltd.'s Alloys International unit, which makes nickel and other alloys for aerospace, chemical processing and other industries, and said it planned to combine the company with Haynes International Inc., another producer of nickel and alloys, in which it has an 80 percent stake.

Closely held American Axle, which has 8,500 employees at four plants in Michigan and two in New York, also supplies axles to Ford Motor Co. It has annual revenue in excess of $2 billion.

Richard Dauch will continue in his role as president and chief executive of American Axle and will own a significant equity stake in the company, Blackstone said. *(Reuters, Bloomberg)*

Economic Outlook Helps Stocks and Bonds Extend Gains

Compiled by Our Staff From Dispatches

NEW YORK — Stocks extended their gains Friday after the release of a government report that bolstered the outlook for steady, noninflationary growth.

The Dow Jones industrial average rose 74.17 points to close at 7,922.18, with advancing issues outnumbering decliners by a 7-to-4 margin on the New York Stock Exchange.

Broader stock indicators also rose after interest rates fell in the bond market. The Standard & Poor's 500-stock index closed at 945.22, up 7.31, and the Nasdaq composite index finished at 1,682.24, up 3.35.

Bonds rose after the Commerce Department reported that the U.S. gross domestic product grew at a 3.3 percent annual rate in the second quarter, below analysts' estimates and down from the sizzling 4.9 percent rate seen in the first three months of the year.

On Thursday, stocks fell after a series of robust economic readings aggravated worries that the Federal Reserve Board would try to contain inflationary pressures, easing the pace of borrowing and spending with a boost in interest rates.

Fed officials are scheduled to meet Tuesday for one of their periodic strategy discussions, but few analysts expect the central bankers to take any action yet. Higher interest rates raise consumer and company borrowing costs, which in turn depress revenues and profits.

The benchmark 30-year Treasury bond gained 20/32, or $6.25 per $1,000 bond, to 100 8/32, pushing its yield down to 6.35 percent from 6.40 percent Thursday.

Bonds got a further lift when the Fed bought $1.66 billion of Treasury securities maturing in two to five years to add money permanently to the banking system.

The so-called coupon pass does not signal a change in interest-rate policy, economists said.

Among active issues, Lattice Semiconductor led the decline in chipmakers as weak orders were expected to hurt third-quarter results. Xilinx and Altera also were lower.

A batch of companies fell after reporting that the current quarter's earnings may be weaker than expected. Benchmarq Microelectronics, a maker of integrated circuits; Bridgeport Machines, a maker of metal-cutting tools; Consolidated Papers, and Kirby Corp., a marine-transport and diesel-repair company, all were lower.

On the Big Board, Eastman Kodak rose a day after announcing it would fire about 10 percent of its clerical staff and 20 percent of its managers in a move to lift profit.

3M was higher after an analyst at Cowen & Co. raised its invest rating to "strong buy" from "neutral." *(AP, Bloomberg)*

■ Dollar Is Key, Manager Says

Perhaps more than profits and interest rates, the strength of the U.S. currency provides the best hint as to the path of stocks in coming weeks and months, Kenneth Fisher, president of Fisher Investments in Woodside, California, told Bloomberg News.

U.S. stocks attracted foreign investors in the past year as the dollar rose 16 percent against the German mark, the benchmark currency for Europe. The Dow industrials climbed 35 percent in that period, and the dollar and the Dow rose in tandem 60 percent of the time.

A pickup in Europe's economy could weaken the dollar and signal the end of years of unprecedented gains in U.S. stocks. The dollar and the Dow both peaked Aug. 6. Since then, the dollar has dropped 6.5 percent against the mark, and the Dow is down 4.3 percent.

Mr. Fisher, who manages $1.7 billion in assets, said he was sticking with the biggest, most international U.S. companies such as DuPont and Merck. If he sees signs of growth overseas, he would expand his holdings of non-U.S. superstars such as Siemens and Sony — his biggest portfolio change in three years, he said.

"The explanation in the weeks ahead will come out of keeping an eye on the dollar," Mr. Fisher said.

Pound Falls on Prospect of Joining EMU

Bloomberg News

NEW YORK — The pound tumbled against the dollar and other major currencies Friday on a report that Britain may join European monetary union after it gets under way in 1999.

"If the markets start to believe U.K. interest rates will come down to levels seen in Germany and France, sterling will come down relative to other currencies," said Chris Iggo, chief economist at BZW Securities Inc.

While the pound tumbled to $1.6092 in 4 P.M. trading from $1.6285 on Thursday, the dollar was little changed against other currencies. The dollar was at 1.7588 Deutsche marks, down slightly from 1.7595 DM, and rose to 121.225 yen from 120.825 yen.

Traders continued to unload pounds even after the British Treasury dismissed the report as speculation. A spokesman for Prime Minister Tony Blair said the government was reserving its options on joining monetary union.

It is typical of the British government to "float an idea first to see how the public reacts," said Bob Savage, chief currency trader at Lehman Brothers, so this could have been an "official leak."

FOREIGN EXCHANGE

Mr. Savage said economists had predicted the pound would join the single currency at a rate as low as 2.50 DM, compared with its current level of 2.8337 DM. Still, analysts said British officials would not want to let the pound fall too far, as a weak currency tends to fan inflation, and because interest rates in Britain are already high, the government may have little scope to raise them much further.

The dollar recovered from early losses against the mark after the Bundesbank's chief economist, Otmar Issing, suggested that he was satisfied with the dollar's level against the mark.

Concern that the German currency may be too weak "hasn't disappeared, but it's not as strong," Mr. Issing said.

The dollar fell against the mark in European trading after comments by the Bundesbank vice president, Johann Wilhelm Gaddum, kept alive expectations that the central bank was poised to raise its benchmark interest rate.

Against other currencies, the dollar slipped to 5.9055 French francs from 5.9145 francs but rose to 1.4505 Swiss francs from 1.4490 francs.

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7912.85	7928.81	7845.31	7922.18	+74.17
Trans	3150.51	3176.72	3139.60	3163.11	+23.51
Util	239.25	240.20	238.83	239.38	+0.30
Comp	2527.93	2537.71	2512.98	2532.92	+19.17

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1108.02	1097.25	1097.79	1105.32
Transp.	690.82	681.86	682.29	683.14
Utilities	206.38	204.82	205.20	205.74
Finance	111.52	109.98	110.07	111.59
SP 500	947.00	937.38	937.91	945.20
SP 100	916.03	905.81	905.94	913.59

NYSE

	High	Low	Last	Chg.
Composite	495.73	491.52	495.20	+3.68
Industrials	623.77	619.10	623.16	+4.01
Transp.	458.60	454.75	456.41	+1.66
Utility	296.01	293.63	295.98	+2.25
Finance	469.63	463.49	468.72	+5.23

Nasdaq

	High	Low	Last	Chg.
Composite	1688.87	1677.76	1682.16	+3.27
Industrials	1362.85	1356.88	1359.00	+1.18
Banks	1885.22	1872.11	1877.95	+6.31
Insurance	1798.32	1787.76	1797.45	+8.84
Finance	2233.94	2224.45	2233.77	+12.43
Transp.	1108.42	1095.37	1099.15	-2.78

AMEX

High	Low	Last	Chg.
689.83	685.10	689.83	+4.59

Dow Jones Bond

	Close	Chg.
20 Bonds	104.06	+0.02
10 Utilities	101.78	+0.05
10 Industrials	106.34	-0.02

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Monsan	60677	[illegible]	[illegible]	[illegible]	[illegible]
Compaq s	58567	[illegible]	[illegible]	[illegible]	[illegible]
PepsiCo	53407	[illegible]	[illegible]	[illegible]	[illegible]
AT&T s	52373	[illegible]	[illegible]	[illegible]	[illegible]
WstgEl	50793	[illegible]	[illegible]	27	[illegible]
AlcmT	47815	[illegible]	34	[illegible]	[illegible]
GlfCda g	45433	[illegible]	[illegible]	[illegible]	[illegible]
PhilMor s	42414	[illegible]	41	[illegible]	[illegible]
Unisys	39672	[illegible]	[illegible]	[illegible]	[illegible]
NewsCp pf	38039	[illegible]	[illegible]	[illegible]	[illegible]
GenElec s	36914	[illegible]	67	[illegible]	[illegible]
BanOffSol	33986	[illegible]	[illegible]	[illegible]	[illegible]
Trchmrk s	33717	[illegible]	39	[illegible]	[illegible]
BostSc	32058	[illegible]	[illegible]	[illegible]	[illegible]
Boeing s	31975	[illegible]	54	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	178079	[illegible]	[illegible]	93	[illegible]
Nextlink n	92121	24	[illegible]	[illegible]	[illegible]
Ascend	88213	[illegible]	[illegible]	[illegible]	[illegible]
Cymer s	82351	[illegible]	[illegible]	[illegible]	[illegible]
Cognos g	77362	[illegible]	[illegible]	[illegible]	+2
3Com	75858	[illegible]	50	[illegible]	[illegible]
Informix	67518	[illegible]	[illegible]	[illegible]	[illegible]
BigDogH n	65250	[illegible]	14	14	
WorldCm	63061	[illegible]	[illegible]	[illegible]	[illegible]
CreTcLtd	62840	28	25	[illegible]	[illegible]
Oracle s	60257	[illegible]	[illegible]	[illegible]	[illegible]
PervSft n	51240	[illegible]	[illegible]	11	
ApldMat	50880	[illegible]	[illegible]	[illegible]	[illegible]
C-CUBE	50350	[illegible]	[illegible]	[illegible]	[illegible]
Cisco	48826	[illegible]	[illegible]	[illegible]	[illegible]

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	39091	[illegible]	[illegible]	[illegible]	[illegible]
JTS Corp	23549	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	23087	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	16934	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	14830	[illegible]	11	[illegible]	[illegible]
XCL Ltd	10712	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	8695	[illegible]	[illegible]	23	[illegible]
USBiosci	7650	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	7298	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	7052	[illegible]	[illegible]	[illegible]	[illegible]

Trading Activity

NYSE

	Close	Prev.
Advanced	1771	1379
Declined	1089	1501
Unchanged	544	529
Total issues	3404	3409
New Highs	213	216
New Lows	9	13

Nasdaq

	Noon	Prev.
Advanced	1858	2037
Declined	1524	2160
Unchanged	2035	1534
Total issues	5417	5731
New Highs	157	301
New Lows	39	38

AMEX

	Close	Prev.
Advanced	346	324
Declined	231	274
Unchanged	160	168
Total issues	737	768
New Highs	55	51
New Lows	7	2

Market Sales

	Today 4:00	Prev. cons.
NYSE	506.15	625.60
Amex	29.58	40.37
Nasdaq	621.19	732.46

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
AARP Bal Stk Bd	-	.17	9-25	9-30
AARP Gwth Inco	9-25	9-30		
AARP US Stck In	-	.07	9-25	9-30
Crescent RE Equi	-	.38	10-16	11-4
STOCK SPLIT				
Cedar Fair Lp 2 for 1 split.				
Fst Mutl Svg Bk 3 for 2 split.				
Hudson Chart Bcp 3 for 2 split.				
James River Bkshrs 3 for 2 split.				
Southwest Airlines 3 for 2 split.				
Tektronix Inc 3 for 2 split.				
West Coast Bncp 3 for 2 split.				
STOCK				
Inter-Tel Inc			10-7	10-21
INCREASED				
Clarcor Inc	Q	.165	10-17	10-31
Cedar Fair LP	Q	.64	10-31	11-17
Hudson Chart Bcp	Q	.19	10-6	10-15
Starwood Lodging	Q	.48	10-10	10-24
Tektronix Inc	Q	.18	10-10	10-31
LIQUIDATING				
Resurgence Props	-	2.25	10-7	10-16
INITIAL				
Bayonne Bncshrs	-	.0425	10-3	10-21
Inter-Tel Inc n	-	.01	12-31	1-15
Southwest Airlines	-	.01	11-12	11-26
REGULAR				
Aetna Inc	Q	.20	10-31	11-15
Boston Edison	Q	.47	10-10	11-3
CBT Cp	Q	.13	10-4	10-24
Capital Bcp Miami	Q	.0833	10-9	10-23
Century Fncl Cp	Q	.11	10-17	10-31
Equitable Iowa	Q	.165	10-10	10-23
Fst Citizens Cp	Q	.11	9-30	10-10
Goodmark Foods	Q	.06	10-15	11-3
Hancock Pat Pfd	M	.09625	10-6	10-31
Holly Cp	Q	.15	10-10	10-24
Monmouth REIT,	Q	.13	11-17	12-15
PR Cement	Q	.19	10-3	11-13
Price TRowe Bal	M	.13	9-25	9-29
Ralston Puring	Q	.30	11-17	12-5
Reckson Associ	Q	.3125	10-9	10-23
Utd Mobil Home	Q	.175	11-17	12-15
Wayne Bncp NJ	Q	.05	10-15	10-24
Winston Hotels	Q	.27	10-7	10-16
Zweig Gut Fd A	M	.042	9-25	9-26
Zweig Gut Fd B	M	.035	9-25	9-26

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 26, 1997

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	259¼	257¼	257½	-2	145,531
Mar 98	266	266	266¼	-1¾	61,188
May 98	272½	271	271½	-1¾	15,018
Jul 98	275½	274½	274¼	-1½	27,622
Sep 98	269¼	269	269	-1	1,993
Dec 98	269	268	269	-¼	17,009
Jul 99	281½	279	281½	-1	12
Est. sales 43,000 Thu's sales 53,779					
Thu's open int 318,570, up 6,556					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 97	217.50	214.60	215.20	-4.60	22,638
Dec 97	205.80	202.50	202.60	-3.10	45,771
Jan 98	201.80	200.00	200.20	-2.10	13,678
Mar 98	197.30	196.50	197.10	-1.10	12,098
May 98	196.50	195.50	196.20	-0.60	12,689
Jul 98	199.00	197.00	198.70	unch.	6,130
Est. sales 18,000 Thu's sales 24,304					
Thu's open int 115,144, off 454					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Oct 97	23.73	23.38	23.62	-0.02	10,296
Dec 97	24.11	23.77	23.97	unch.	54,125
Jan 98	24.28	23.95	24.17	+0.02	15,455
Mar 98	24.47	24.20	24.38	unch.	8,652
May 98	24.53	24.30	24.41	-0.06	5,977
Jul 98	24.59	24.35	24.42	-0.10	5,091
Est. sales 15,000 Thu's sales 21,366					
Thu's open int 100,427, off 813					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 97	635¾	629½	631¼	-2¾	98,015
Jan 98	638½	633	635	-3½	27,135
Mar 98	645	640½	642¾	-2¾	11,288
May 98	653½	649	651¼	-2¼	9,944
Jul 98	660	656	658¾	-2	10,303
Est. sales 33,000 Thu's sales 40,427					
Thu's open int 160,436, up 2,034					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	365¾	357	357¼	-8½	61,745
Mar 98	378	370½	371	-8	24,190
May 98	384	377	377¼	-7¼	5,038
Jul 98	383	379	379¼	-5½	10,490
Est. sales 13,000 Thu's sales 9,517					
Thu's open int 104,266, up 274					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 97	68.70	67.90	68.42	+0.47	21,851
Dec 97	68.40	67.80	68.07	+0.15	34,119
Feb 98	71.15	70.75	70.92	+0.10	15,909
Apr 98	73.92	73.65	73.77	+0.12	10,149
Jun 98	70.50	70.37	70.47	+0.10	4,678
Aug 98	70.30	70.10	70.10	+0.10	2,032
Est. sales 11,895 Thu's sales 17,527					
Thu's open int 92,801, off 1,337					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Oct 97	79.45	78.80	78.87	+0.05	6,756
Nov 97	80.65	80.05	80.12	+0.10	4,031
Jan 98	81.35	80.90	81.00	-0.20	2,247
Mar 98	80.90	80.60	80.67	+0.22	1,739
Apr 98	80.90	80.65	80.65	+0.10	623
May 98	81.60	81.30	81.60	+0.50	663
Est. sales 2,372 Thu's sales 3,940					
Thu's open int 18,508, off 673					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	69.75	68.82	69.25	-0.47	10,093
Dec 97	66.00	65.15	65.40	-0.17	10,962
Feb 98	65.00	64.25	64.57	-0.05	4,189
Apr 98	61.90	60.90	60.97	-0.60	1,709
Jun 98	66.95	66.30	66.42	-0.42	1,248
Est. sales 6,457 Thu's sales 5,029					
Thu's open int 29,457, off 286					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	64.07	62.80	63.65	-0.22	5,109
Mar 98	63.80	63.00	63.40	-0.20	473
May 98	64.70	64.05	64.17	-0.42	103
Est. sales 1,614 Thu's sales 1,063					
Thu's open int 5,779, up 141					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1699	1660	1668	-35	41,340
Mar 98	1723	1694	1700	-31	25,924
May 98	1741	1720	1720	-31	11,987
Jul 98	1757	1739	1739	-31	3,594
Sep 98	1773	1756	1756	-31	4,510
Dec 98	1788	1771	1771	-32	6,659
Est. sales 6,687 Thu's sales 9,280					
Thu's open int 104,396, off 742					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	167.50	164.25	165.60	-0.40	12,797
Mar 98	155.50	153.00	154.00	unch.	6,027
May 98	150.00	147.50	148.75	unch.	1,857
Jul 98	145.00	143.50	143.50	unch.	1,792
Sep 98	139.25	138.25	138.25	unch.	503
Est. sales 3,785 Thu's sales 6,294					
Thu's open int 23,302, up 185					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	10.91	10.65	10.89	+0.28	18,433
Mar 98	11.46	11.37	11.45	+0.12	89,188
May 98	11.62	11.56	11.62	+0.09	23,499
Jul 98	11.48	11.43	11.48	+0.07	18,171
Est. sales 24,460 Thu's sales 49,947					
Thu's open int 167,319, off 3,305					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 97	73.60	71.25	73.25	-2.55	18,828
Jan 98	76.45	74.50	76.10	-2.35	12,029
Mar 98	79.40	77.25	78.90	-2.40	6,786
May 98	81.75	80.50	81.40	-2.40	1,605
Est. sales N.A. Thu's sales 9,584					
Thu's open int 38,296, up 1,230					

Metals

	High	Low	Latest	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 97			326.80	-0.40	46
Oct 97	327.60	325.50	326.90	-0.50	4,382
Nov 97			327.60	-0.50	
Dec 97	329.50	327.60	329.00	-0.50	120,937
Feb 98	331.10	329.50	330.40	-0.70	15,018
Apr 98	333.20	331.30	332.20	-0.70	5,668
Jun 98	335.00	333.30	334.20	-0.70	8,704
Aug 98			336.20	-0.80	4,487
Oct 98			338.30	-0.80	350
Est. sales 37,000 Thu's sales 72,806					
Thu's open int 202,374, up 3,216					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Oct 97	94.10	93.35	93.90	+0.15	3,282
Nov 97	95.00	94.70	94.70	+0.35	1,847
Dec 97	95.50	94.30	95.20	-0.45	28,483
Jan 98	95.70	94.80	95.50	-0.50	1,047
Feb 98	95.45	95.00	95.45	+0.20	1,075
Mar 98	95.50	94.90	95.40	+0.15	4,745
Apr 98	95.50	95.30	95.35	+0.10	901
May 98	95.50	95.60	95.50	unch.	2,425
Jun 98	95.20	95.10	95.10	unch.	866
Est. sales 9,000 Thu's sales 11,720					
Thu's open int 53,196, up 1,342					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Oct 97			478.40	+3.70	78
Nov 97			480.20	+3.70	
Dec 97	484.00	475.50	482.20	+3.70	53,979
Jan 98			483.70	+3.70	22
Mar 98	490.00	481.50	488.60	+3.80	13,295
May 98	492.10	486.00	492.10	+3.80	3,267
Jul 98	496.00	495.80	495.80	+3.90	2,365
Sep 98	499.50	492.00	499.50	+3.90	647
Est. sales 17,000 Thu's sales 16,087					
Thu's open int 79,513, up 828					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	431.00	425.10	427.70	-3.70	6,989
Jan 98	422.40	417.00	420.20	-2.20	6,098
Apr 98	412.00	409.00	411.70	-0.70	667
Jul 98			407.70	-0.70	3
Est. sales N.A. Thu's sales 4,450					
Thu's open int 13,757, off 234					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1626.00	1627.00	1624.00	1625.00
Forward	1636.00	1636½	1636.00	1637.00
Copper Cathodes (High Grade)				
Spot	2057½	2059½	2066.00	2067.00
Forward	2085.00	2087.00	2092.00	2093.00
Lead				
Spot	652.00	653.00	647.00	648.00
Forward	653.00	654.00	649.00	650.00
Nickel				
Spot	6645.00	6655.00	6365.00	6375.00
Forward	6740.00	6750.00	6460.00	6470.00
Tin				
Spot	5600.00	5610.00	5630.00	5640.00
Forward	5645.00	5655.00	5675.00	5680.00
Zinc (Special High Grade)				
Spot	1618.00	1623.00	1680.00	1685.00
Forward	1418.00	1419.00	1438.00	1439.00

Financial

	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97	95.00	94.98	94.99	unch.	4,900
Mar 98	94.98	94.97	94.98	+0.02	2,927
Jun 98	94.89	94.88	94.89	unch.	125
Est. sales 627 Thu's sales 404					
Thu's open int 7,952, up 207					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	107-36	107-20	107-30	+ 13	237,558
Est. sales 26,780 Thu's sales 64,924					
Thu's open int 239,691, up 4					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	110-14	110-03	110-10	+ 09	372,420
Mar 98	110-00	110-00	110-00	+ 10	12,144
Jun 98			109-21	+ 10	1
Est. sales 89,887 Thu's sales 97,535					
Thu's open int 391,578, off 5,324					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	115-31	115-10	115-24	+ 13	612,385
Mar 98	115-21	115-02	115-14	+ 13	37,101
Jun 98			115-03	+ 12	2,113
Sep 98			114-25	+ 13	1,906
Est. sales 500,000 Thu's sales 545,880					
Thu's open int 672,700, off 1,449					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	120-06	119-30	120-06	+1-23	1,636
Dec 97	119-27	118-25	119-18	+1-18	184,559
Est. sales. 182,232. Prev. sales: 114,592					
Prev. open int.: 186,212 up 8,634					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	102.90	102.49	102.80	-0.04	278,476
Mar 98	102.00	101.94	102.01	-0.03	4,464
Est. sales. 121,515. Prev. sales: 188,028					
Prev. open int.: 282,940 off 7,090					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	99.76	99.60	99.66	-0.22	142,107
Mar 98	99.10	99.08	99.04	-0.22	3,930
Est. sales: 101,426.					
Open int.: 146,037 off 550.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	112.48	111.90	112.39	+0.15	123,221
Mar 98	N.T.	N.T.	112.27	+0.15	124,401
Est. sales: 39,808. Prev. sales: 42,852					
Prev. open int.: 124,401 up 518					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Oct 97	94.36	94.35	94.36	unch.	29,044
Nov 97	94.32	94.31	94.32	unch.	30,699
Dec 97	94.16	94.15	94.15	unch.	8,545
Est. sales 3,851 Thu's sales 5,139					
Thu's open int 72,502, up 1,273					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Oct 97	94.25	94.24	94.24	unch.	24,212
Dec 97	94.17	94.16	94.17	unch.	592,908
Mar 98	94.12	94.08	94.11	+0.02	408,478
Jun 98	94.03	93.99	94.01	+0.02	320,027
Sep 98	93.94	93.89	93.92	+0.02	240,566
Dec 98	93.83	93.78	93.81	+0.02	210,781
Mar 99	93.81	93.77	93.80	+0.03	148,271
Jun 99	93.77	93.73	93.75	+0.02	116,196
Sep 99	93.73	93.70	93.72	+0.03	98,162
Dec 99	93.66	93.64	93.65	+0.03	84,555
Mar 00	93.67	93.64	93.65	+0.03	71,500
Jun 00	93.64	93.61	93.62	+0.03	57,236
Est. sales 304,962 Thu's sales 507,022					
Thu's open int 2,491,280, up 36,539					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6248	1.5958	1.6028	-.0200	28,739
Mar 98	1.6010	1.5920	1.5964	-.0200	238
Jun 98			1.5904	-.0198	27
Est. sales 9,177 Thu's sales 15,565					
Thu's open int 29,004, up 293					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7264	.7246	.7252	-0.0012	46,774
Mar 98	.7297	.7277	.7285	-0.0012	1,640
Jun 98	.7312	.7300	.7308	-0.0012	422
Est. sales 5,284 Thu's sales 8,992					
Thu's open int 48,964, up 343					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5753	.5692	.5711	+0.0002	57,994
Mar 98	.5750	.5732	.5742	+0.0002	2,323
Jun 98			.5772	+0.0002	2,513
Est. sales 23,783 Thu's sales 20,674					
Thu's open int 62,930, up 1,081					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.8391	.8333	.8339	-0.0028	73,803
Mar 98	.8484	.8450	.8450	-0.0028	792
Jun 98			.8563	-0.0028	165
Est. sales 14,953 Thu's sales 20,200					
Thu's open int 74,761, off 218					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.6997	.6922	.6951	-0.0005	37,227
Mar 98	.7032	.7000	.7020	-0.0005	1,215
Jun 98			.7087	-0.0005	175
Est. sales 13,005 Thu's sales 10,872					
Thu's open int 39,733, up 10,480					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.12445	.12392	.12415	+0.00035	23,628
Mar 98	.12015	.11970	.11990	+.00071	8,416
Jun 98	.11625	.11605	.11620	+.00071	1,832
Est. sales 2,613 Thu's sales 5,204					
Thu's open int 35,069, off 364					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.65	92.56	92.56	Unch.	127,879
Mar 98	92.66	92.53	92.54	-0.01	106,744
Jun 98	92.74	92.61	92.62	+0.01	85,552
Sep 98	92.88	92.77	92.80	+0.07	68,173
Dec 98	93.09	92.96	93.02	+0.14	60,905
Mar 99	93.32	93.16	93.23	+0.19	64,833
Jun 99	93.50	93.30	93.40	+0.25	42,154
Est. sales: 232,202. Prev. sales: 116,735					
Prev. open int.: 640,732 up 1,436					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Oct 97	96.60	96.60	96.60	-0.02	8,384
Dec 97	96.43	96.40	96.42	-0.02	284,659
Mar 98	96.21	96.17	96.18	-0.03	297,230
Jun 98	95.97	95.93	95.95	-0.03	242,421
Sep 98	95.78	95.75	95.76	-0.03	184,772
Dec 98	95.59	95.54	95.57	-0.02	135,529
Mar 99	95.43	95.39	95.40	-0.03	158,283
Jun 99	95.27	95.25	95.25	-0.03	76,684
Sep 99	95.15	95.12	95.12	-0.03	63,858
Dec 99	94.99	94.97	94.98	-0.03	58,791
Est. sales: 199,309. Prev. sales: 213,898					
Prev. open int.: 1,591,800 up 14,865					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.41	96.38	96.40	-0.02	37,182
Mar 98	96.19	96.15	96.17	-0.03	33,895
Jun 98	95.97	95.93	95.95	-0.04	26,078
Sep 98	95.80	95.76	95.78	-0.05	22,252
Dec 98	95.64	95.60	95.62	-0.03	26,557
Est. sales: 52,997.					
Open int.: 213,668 up 2,149.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	94.03	93.96	94.02	+0.02	103,880
Mar 98	94.73	94.62	94.71	+0.03	96,051
Jun 98	95.14	95.06	95.14	+0.04	81,754
Sep 98	95.25	95.18	95.24	+0.02	54,640
Dec 98	95.24	95.19	95.21	Unch.	42,973
Est. sales: 46,286. Prev. sales: 88,297					
Prev. open int.: 416,026 up 19,545					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	71.35	69.50	70.54	-1.36	781
Dec 97	73.68	72.90	73.24	-0.54	47,595
Mar 98	74.70	74.15	74.40	-0.45	14,920
May 98	75.20	74.80	75.09	-0.38	6,589
Jul 98	75.85	75.50	75.63	-0.47	6,212
Est. sales N.A. Thu's sales 7,533					
Thu's open int 84,361, off 189					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Oct 97	58.20	56.02	57.92	+1.41	21,806
Nov 97	59.30	56.95	58.87	+1.50	41,437
Dec 97	59.90	57.80	59.57	+1.40	26,781
Jan 98	60.25	58.35	60.02	+1.25	21,835
Feb 98	60.15	58.70	60.12	+1.20	12,349
Mar 98	59.45	57.90	59.17	+1.00	8,890
Apr 98	58.00	56.50	57.57	+0.80	4,568
Est. sales N.A. Thu's sales 41,036					
Thu's open int 151,609, up 1,192					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Nov 97	20.92	20.30	20.87	+0.48	97,518
Dec 97	20.92	20.35	20.88	+0.42	65,959
Jan 98	20.88	20.38	20.84	+0.38	38,809
Feb 98	20.79	20.36	20.78	+0.34	18,316
Mar 98	20.73	20.35	20.73	+0.31	10,976
Apr 98	20.68	20.32	20.68	+0.28	8,921
Est. sales N.A. Thu's sales 113,650					
Thu's open int 382,345, off 798					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Nov 97	3.480	3.250	3.270	-0.067	54,957
Dec 97	3.500	3.280	3.310	-0.016	30,983
Jan 98	3.465	3.250	3.270	-0.020	28,468
Feb 98	2.980	2.820	2.900	unch.	18,866
Mar 98	2.650	2.530	2.590	unch.	12,431
Apr 98	2.415	2.300	2.370	unch.	7,497
Est. sales N.A. Thu's sales 124,769					
Thu's open int 248,905, off 426					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Oct 97	61.50	58.90	61.34	+2.09	13,867
Nov 97	59.80	57.60	59.68	+1.83	36,368
Dec 97	59.25	57.25	59.15	+1.66	15,427
Jan 98	59.15	57.60	59.15	+1.55	14,419
Feb 98	59.45	58.60	59.45	+1.45	4,344
Mar 98			60.10	+1.35	5,817
Apr 98	62.80	62.10	62.80	+1.25	4,040
May 98			62.65	+1.20	2,615
Est. sales N.A. Thu's sales 33,515					
Thu's open int 101,772, off 2,200					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Oct 97	173.75	172.00	173.25	+0.75	21,401
Nov 97	175.50	173.75	175.25	+1.00	16,687
Dec 97	177.00	175.25	177.00	+1.50	16,696
Jan 98	178.25	176.75	178.50	+1.50	12,814
Feb 98	N.T.	N.T.	178.75	+1.50	7,593
Mar 98	176.00	176.00	177.00	+1.25	4,816
Apr98	N.T.	N.T.	175.25	+1.00	2,321
Est. sales: 16,518 . Prev. sales : 11,388					
Prev. open int.: 91,500 off 1,596					

Stock Indexes

	High	Low	Latest	Chge	Opint
SP COMP INDEX (CMER) 500 x index					
Dec 97	956.40	947.20	953.70	+7.20	188,175
Mar 98	966.70	961.50	964.10	+7.30	3,007
Jun 98			967.05	unch.	743
Est. sales N.A. Thu's sales 56,572					
Thu's open int 192,086, up 1,064					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5220.0	5336.0	5180.0	-30.9	64,687
Mar 98	N.T.	N.T.	N.T.	-30.9	1,973
Est. sales: 14,010. Prev. sales: 6,010					
Prev. open int.: 66,660 up 562					
CAC 40 (MATIF) FF200 per index point					
Sep 97	3005.0	2971.0	2990.0	-11.0	33,300
Oct 97	3011.5	2979.0	2996.0	-11.5	16,502
Nov 97	3012.0	2995.0	3004.0	-11.5	6,486
Dec 97	3023.0	2998.0	3011.0	-12.5	10,437
Mar 98	3036.0	3027.0	3036.0	-12.0	11,055
Est. sales: 59,375.					
Open int.: 89,871 up 4,751.					

Commodity Indexes

	Close	Previous
Moody's	1,550.20	1,547.20
Reuters	1,883.80	1,896.40
D.J. Futures	145.53	146.08
CRB	242.72	242.99

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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Volleying Over Vodka

Russia and Georgia Duel on Trade

By Edmund L. Andrews
New York Times Service

VERKHNY LARS CHECKPOINT, Georgia — Eldar Porolashvili has been stranded here on the border between Georgia and Russia since mid-July, sleeping in a truck with several tons of raw alcohol for making vodka.

Russia will not let him cross the border. The Georgian port where he picked up his load will not let him take it back. And Mr. Porolashvili, who will not be paid until he delivers, does not have enough money or gasoline to go back anyway.

He is not alone. At least 100 other truckers are stuck in this narrow canyon, caught in the middle of a feud between Russia and Georgia over vodka and money.

"We play cards, and sometimes dominoes," Mr. Porolashvili said. "I just brought some bread and cheese from the store about two kilometers away. We don't have the money to pay, but they give us credit."

Behind the gridlock is a political battle that highlights the difficult relations between Russia and the other former Soviet republics. Georgia and other republics still depend on Russia for trade and military help. But the countries also view one another with mistrust and suspicion.

In July, Russian border guards began to enforce a new law restricting alcohol imports. Officials say they were alarmed by declining sales of authorized vodka and by the death rate from alcohol poisoning.

President Boris Yeltsin of Russia, who is counting on Russian vodka to generate about 5 percent of his government's revenue, has vowed to block imports of raw ethanol, which Russian bootleggers mix with water to make cheap vodka substitutes.

But President Eduard Shevardnadze of Georgia wants to re-establish his country as the center of a new "Silk Route" for traders between Europe and Asia, and alcohol has been a big source of traffic along the route. Until July, when the barriers went up, about 800 trucks a month were carrying spirits from Georgia's main port on the Black Sea to Russian distilleries.

Russia's tax revenues have slumped 45 percent this year, to about $85 million, the government says. Russian distilleries that make raw alcohol are operating at about 45 percent of capacity. But unauthorized producers of moonshine have been thriving.

"If people spend their money on vodka, the money should go to the Treasury and not to swindlers," Mr. Yeltsin said. "We have resolutely determined to turn off the tap of spirits smuggling."

James Hill/The New York Times

A truck driver playing backgammon to pass time as his vehicle remained stranded on the border between Russia and Georgia.

Georgia does not itself produce alcohol. But it is the main entry point for alcohol that is exported to Russia from Europe, the United States and Canada.

Mr. Shevardnadze, who was once the Soviet Union's foreign minister, has set out to transform Georgia into an economic corridor to Asia. Shipping raw alcohol to Russia fits squarely within this plan, Georgian officials say.

"We are a transit state, and as a transit state we are obligated to accept goods that are shipped with proper documentation," said Mikhail Ukleba, Georgia's deputy foreign minister. "Alcohol is not a banned good, like munitions or weapons or narcotics."

Thus far, negotiations between the two countries have failed to produce any compromise. In a show of pique, Mr. Shevardnadze refused to come to Moscow's huge 850th anniversary celebration this month.

Because of treacherous mountain terrain and small-scale civil wars raging elsewhere, there are no alternative land routes from Georgia to Russia. When winter arrives, even this passage will be treacherous — and far too cold to live in trucks.

However absurd it seems to simply camp out here, truckers who remain figure this is their best bet. Faced with the choice between no pay if they dump their loads and go home or the possibility of pay if they endure a bit longer, they choose to stay.

Russia to Let More Cash Leave Nation

Bloomberg News

MOSCOW — The central bank said Friday it would increase the amount of foreign currency that citizens could take out of the country.

The new provision gives Russian citizens the right to send as much as $2,000 a day abroad. Previously, they were allowed to take just $500 when traveling. Still, limits on importing and exporting money remain, leaving Russia with some distance to go before the ruble could be described as fully convertible, analysts said.

"This is trying to convince those Russians who have spirited their money abroad that it's safe to bring the money back because it should be easier to take it out again in future if necessary," said Charlie Robertson, a Russia analyst at the London-based consulting company Hilfe Ltd. "This is a far cry from capital-account convertibility, though."

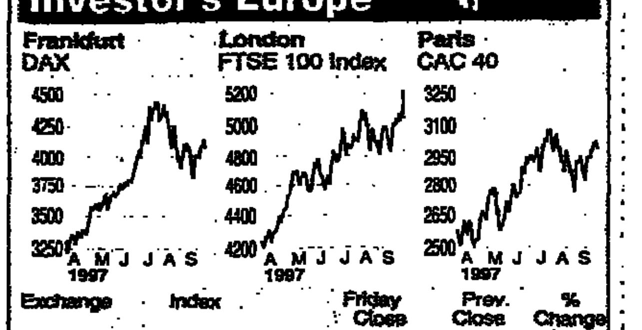
Currencies are considered fully convertible when citizens and businesses are free to import and export as much money as they want. Russian businesses, for example, have to demonstrate that any funds they send abroad are to pay for an import or for a legitimate business expense, such as opening an office in another country.

The new rules still restrict individuals. Transfers abroad for investment, business and buying real estate must still meet with the approval of the central bank. On Monday, Russia said it would ban the use of hard currency in cash and credit-card transactions in the country as of Nov. 1 to try to increase use of the ruble.

Kumiharu Shigehara, the deputy secretary-general of the Organization for Economic Cooperation and Development, is due to arrive in Moscow early next month for two days of talks on Russia's plan to become a full member of the organization. It is now an associate member of the group.

Russia's central bank has been setting the official ruble exchange rate since May 1996, based on a band called the "ruble corridor." The ruble corridor for 1997 is between 5,500 and 6,100 rubles to the dollar. On Jan. 1, the official band will become 5,750 to 6,350 current rubles to the dollar for 1998, although the country plans to knock three zeros off the exchange rate then.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	905.85	904.51	+0.15
Brussels	BEL-20	2,416.65	2,390.29	+1.10
Frankfurt	DAX	4,080.78	4,148.58	-1.63
Copenhagen	Stock Market	637.37	627.77	+1.53
Helsinki	HEX General	3,641.36	3,591.44	+1.39
Oslo	OBX	704.19	702.75	+0.20
London	FTSE 100	5,226.30	5,065.50	+3.17
Madrid	Stock Exchange	629.35	623.38	+0.96
Milan	MIBTEL	16058	15850	+1.32
Paris	CAC 40	2,985.63	3,005.36	-0.66
Stockholm	SX 16	3,538.66	3,479.19	+1.65
Vienna	ATX	1,413.33	1,419.17	-0.41
Zurich	SPI	3,651.72	3,623.86	+0.77

Source: Telekurs — International Herald Tribune

Very briefly:

- **Reed Elsevier PLC** said it had uncovered errors in circulation statements at its Reed Travel Group and launched an investigation. The British-Dutch publishing concern will take a charge against its 1997 profit to compensate advertisers of the affected publications.
- **Lufthansa AG** said the federal cartel office had ended an examination of charges that the airline had tried to hinder competition with its Miles & More frequent-flyer program.
- **Carlsberg AS** will open a brewery in Croatia with an annual capacity of 50 million liters (13 million gallons) in cooperation with its partly owned local brewer, **Panonska Pivovara.**
- **Spain's** cabinet approved a 1998 budget bill designed to narrow the country's deficit to 2.4 percent of gross domestic product, increase growth and guarantee Spain a role in the planned European single currency at its beginning.
- **British Airways PLC** agreed to sell its aircraft wheels and brakes business to **AlliedSignal Aerospace,** a unit of AlliedSignal Inc. of the United States. Terms were not disclosed.
- **Scania AB,** a Swedish bus and truck manufacturer, said it would aim to play a leading role in the European bus market after the opening of a bus production site in France.
- **Tanzania's** president, Benjamin Mkapa, fired the general manager of the state-run **Sugar Development Corp.** after an audit report held the manager accountable for wrongdoing that led to losses of 2.8 billion shillings ($4.6 million).
- **Worms & Cie.'s** shares rose 8.89 percent, to 427.90 French francs ($71.78), on their first day of trading, surpassing the 410 francs a share offered in an unsolicited $4.8 billion takeover bid by **Artemis SA.**
- **Solidere,** Lebanon's biggest company, which is leading a multibillion-dollar reconstruction drive in Beirut, decided to open up its shares to foreign investors.

Reuters, AFX, AFP, Bloomberg

Czech Beer Brawl Pits Bass Against Nomura

By Peter S. Green
International Herald Tribune

PRAGUE — Japanese financiers and British brewers are waging a battle over the future of the Czech beer industry that could determine who controls one of the country's most important markets and one of its most lucrative exports.

Both Bass International Brewers Ltd. and the Japanese-controlled Czech bank Investicni & Postovni Banka AS say they are bidding for one another's stakes in Pivovar Radegast, one of the country's most rapidly growing brewers.

The outcome of the battle could radically reshape the Czech beer market. The country ranks No. 1 in per-capita beer consumption, producing 18.1 million hectoliters (470.6 million gallons) of beer a year, about 10 percent of which is exported.

Czech authorities have worked to keep major foreign brewers out of the market and to protect a weakened local industry that they call part of "the family silver." They have fought to keep Anheuser Busch Cos. of the United States, makers of Budweiser beer, from buying Budejovicke Budvar.

Investicni Bank, which is soon to be bought by the Japanese investment bank Nomura International PLC, wants to merge Radegast with the country's largest brewer, Plzensky Prazdroj AS, makers of the world-famous Pilsner Urquell beer.

Bass wants Radegast for itself and argues that the Japanese-controlled bank's plan to merge Radegast with Plzensky would create a giant whose 40 percent market share would squeeze out Bass's own Czech breweries and most of the country's small breweries. Analysts say it would also make a tempting target for sale to a major world brewer.

Bass's director for Czech operations, Graham Staley, says Plzensky and Radegast would have the marketing and financial muscle to grab as much as 70 percent of the market. He has asked the Czech antitrust office to block the merger. Bass, meanwhile, will try to use its one-third stake in Radegast to block the transaction.

Adding Radegast to Bass's stakes in other Czech breweries would give the British company about 29 percent of the market, Mr. Staley said, and allow Investicni to resume its now-discarded plan to buy another regional brewer, Jihoceske Pivovary, and hold a similar market share.

Investicni, Nomura and allied investment funds already control 55.55 percent of Radegast and 65.83 percent of Plzensky, and Mr. Staley said Investicni was already running the two breweries as one.

An Investicni spokesman said the bank's majority holders had no interest in expanding domestic market share above 40 percent. The company denies it plans to sell to a foreign company. But Bass executives and some analysts say Investicni and Nomura are clearly planning to sell the merged company. Neither Nomura nor Investicni has any successful experience as an industrial manager in the Czech Republic, and the combined company would command a significant premium to the market value of the two separate companies.

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	177.46	+0.44	+0.25	+18.99
Regional Indexes				
Asia/Pacific	120.54	-1.08	-0.89	-2.34
Europe	195.73	+1.21	+0.62	+21.42
N. America	206.94	+0.61	+0.30	+27.81
S. America	188.27	+1.32	+0.79	+47.05
Industrial Indexes				
Capital goods	222.82	-0.22	-0.10	+30.37
Consumer goods	194.87	+0.26	+0.13	+20.71
Energy	208.11	+1.01	+0.49	+21.91
Finance	133.21	+0.62	+0.47	+14.38
Miscellaneous	188.27	+0.71	+0.38	+16.37
Raw Materials	186.85	+0.01	+0.01	+6.54
Service	167.07	+0.44	+0.26	+21.66
Utilities	171.58	+0.90	+0.53	+19.60

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Friday, Sept. 26
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 905.85 Previous: 904.51

	High	Low	Close	Prev.
ABN-AMRO	40.40	39.10	40.40	40.10
Aegon	157.90	155.60	157.70	157.60
Ahold	53	51.20	52.50	53.60
Akzo Nobel	332.50	327.50	332.50	331
Baan Co.	141.50	137.20	141.50	138.30
Bols Wess cva	35.20	34.50	35.20	35.30
CSM cva	93.50	93.10	93.80	93.80
Dordtsche Pet	110.30	107.50	110.20	108.50
DSM	193.50	190.50	193.20	193.20
Elsevier	32.60	30.70	30.80	32.20
Fortis Amev	83.40	81	83.40	82
Getronics	63.50	61.60	61.90	62.40
G-Broc cva	56	55	56	56
Hagemeyer	101.20	99.60	101.10	100.70
Heineken	349.10	346.20	349.10	348.40
Hoogovens cva	128.20	123	128.20	125.40
Hunt Douglas	90	87.70	88.10	89
ING Group	91	90.30	91	90.70
KLM	70.40	69	69.80	70.20
KNP BT	53.30	52.30	53	49.90
KPN	76	74.50	76	75
Nedlloyd Gp	65.90	64.50	65.80	65.60
Nutricia	59.20	58.40	59	59.30
Oce Grinten	254	245.50	254	248.50
Philips Elec	159.80	156.50	159.10	159.40
Polygram	113.40	110.20	113	112.50
Randstad Hdg	82.40	80.50	82.30	82
Robeco	193	191.50	192	192.10
Rodamco	60.80	60.40	60.80	60.80
Rolinco	192.60	192.20	192.20	193.60
Rorento	118.50	117.50	117.80	118.30
Royal Dutch	109.30	106	109	107.80
Unilever cva	421.60	417.10	420.70	422.90
Vendex Intl	118.20	116.50	117.80	118.10
VNU	44.80	43.40	44.50	44.10
Wolters Kl cva	255	246.50	251.80	247.50

Bangkok
SET index: 557.98 Previous: 567.36

	High	Low	Close	Prev.
Adv Info Svc	258	232	234	252
Bangkok Bk F	192	189	191	185
Krung Thai Bk	27.50	25.75	26	27.50
PTT Explor	410	398	398	410
Siam Cement F	612	604	612	600
Siam Com Bk F	133	125	126	130
Telecomasia	31.50	29.75	30.50	30.75
Thai Airways	58.50	53.50	54.50	56.50
Thai Farm Bk F	131	125	128	123
Utd Comm	111	103	110	110

Bombay
Sensex 30 index: 3925.24 Previous: 3887.56

	High	Low	Close	Prev.
Bajaj Auto	549	535	544.25	540.50
Hindust Lever	1349	1325.50	1346	1329.50
Hindust Petm	480	473.75	475.25	478.25
Ind Dev Bk	107	104.25	106.25	104.50
ITC	590	570.50	588.25	578
Mahanagar Tel	270.50	265	265.75	269
Reliance Ind	358	341	357	349.75
State Bk India	278.50	273.75	278	276.50
Steel Authority	15	14.50	14.50	14.50
Tata Eng Loco	337.50	327	336.50	329

Brussels
BEL-20 index: 2416.66 Previous: 2390.29

	High	Low	Close	Prev.
Almanij	1595	1570	1595	1550
Barco Ind	7450	7250	7440	7280
BBL	9470	9360	9420	9410
CBR	3180	3100	3170	3150
Colruyt	18350	18050	18325	18150
Delhaize Lion	1815	1775	1790	1785
Electrabel	7640	7580	7640	7600
Electrafina	3545	3420	3530	3440
Fortis AG	7290	7150	7290	7250
Gevaert	3090	2925	2950	2950
GBL	5740	5620	5720	5620
Gen Banque	14850	14175	14775	14650
Kredietbank	14850	14475	14850	14500
Petrofina	14325	14050	14275	14100
Powerfin	4955	4940	4955	4940
Royale Belge	9530	9200	9520	9110
Soc Gen Belg	3440	3350	3440	3350
Solvay	2165	2120	2155	2150
Tractebel	14950	14850	14875	14875
UCB	125400	122650	125300	123100

Copenhagen
Stock index: 637.37 Previous: 622.34

	High	Low	Close	Prev.
BG Bank	377.37	371	377.37	377
Carlsberg B	378	369	374	377
Codan Fors	917	917	917	917
Danisco	371	364.27	370	366
Den Danske Bk	728	700	728	702
D/S Svendborg B	480000	442000	477000	450000
D/S 1912 B	330500	310000	330000	308000
FLS Ind B	201	197	199	200
Kob Lufthavne	795	783.04	785	790
Nvo Nordisk B	722	699	720	705
Sophus Ber B	1111	713.11	1085.28	1075
Tele Danmk B	355	349	351.15	352
Tryg Baltica	401	385	390	390
Unidanmark A	428	422	426	425

Frankfurt
DAX: 4080.78 Previous: 4148.58

	High	Low	Close	Prev.
AMB B	1590	1585	1590	1610
Adidas	234	226.20	229	231.50
Allianz Hdg	413	409	413	421.50
Altana	132.80	130.50	131.30	133.10
Bk Berlin	45	44.80	44.80	45.45
BASF	62.45	61.80	62	63.65
Bayer Hypo Bk	74.25	73.50	74.25	73.95
Bay.Vereinsbank	97.70	97.30	97.60	97.60
Bayer	68.90	68.15	68.75	71.60
Beiersdorf	79.20	79	79.10	79.50
Bewag	41	40.20	40.30	40.80
BMW	1450	1418	1448	1450
CKAG Colonia	158.50	153	153	158.50
Commerzbank	63.50	62.10	63.30	63.90
Daimler Benz	142.80	141.60	142.10	144.55
Degussa	96	94.20	95.10	98.50
Deutsche Bank	118.40	117.60	118.05	117.70
Deut Telekom	33.99	33.40	33.99	33.80
Dresdner Bank	79.20	78.20	79.20	80.40
Fresenius	310	310	308	310
Fresenius Med	127	123.20	123.55	127.20
Fried. Krupp	374.80	361	361	377
Gehe	98	97.50	97.50	97.80
Heidelbg Zmt	147.50	147	147.30	147.50
Henkel pfd	99.80	99.30	99.70	102.60
HEW	482	482	482	482
Hochtief	80.30	79.10	79.10	81.80
Hoechst	76.90	74.10	76.40	77.60
Karstadt	623	612	616	640
Lahmeyer	98.50	98	98	99.50
Linde	1240	1222	1230	1275
Lufthansa R	34.10	33.50	33.50	34.83
MAN	549.50	540	549.50	557
Mannesmann	862	850.50	857	867.80
Metallgesellschaft	39	38.75	38.75	39.30
Metro	81.30	80.50	81.30	81.80
Munch Rueck R	589	578	585	604
Preussag	500	493	494.90	508.50
RWE	82.90	81.50	82.90	83.90
SAP pfd	447	443	445.40	454.50
Schering	183.50	181.50	182.90	185.90
SGL Carbon	249	244.50	247	254.80
Siemens	120.40	118.30	118.90	123.15
Springer (Axel)	1490	1490	1490	1538
Suedzucker	892	892	892	892
Thyssen	409	406	409	407.80
Veba	102.80	101.60	102.45	103
VEW	570	570	570	575
Viag	767.50	764	765.50	760
Volkswagen	1222.50	1208	1209.50	1234

Helsinki
HEX General index: 3641.36 Previous: 3591.44

	High	Low	Close	Prev.
Enso A	51	50	51	50.90
Huhtamaki I	213	212.90	213	213
Kemira	48.90	48	48.90	48.80
Kesko	74	72	73	73
Merita A	24	22.80	24	23
Metra B	155	152.50	155	153
Metso-Serla B	47.50	47	47	47
Neste	143.90	142	142	141
Nokia A	483	468.10	482	473
Orion-Yhtymae	190	182	184.50	183.50
Outokumpu A	97	96	96.80	95.80
UPM-Kymmene	146.50	143	146	143
Valmet	88	87.50	87.80	87.90

Hong Kong
Hang Seng: 14718.87 Previous: 14634.59

	High	Low	Close	Prev.
Amoy Props	8.45	8.20	8.40	8.35
Bk East Asia	28.50	27.95	28.40	28.50
Cathay Pacific	11.90	11.45	11.70	11.75
Cheung Kong	86.25	84.50	85.25	85.25
CK Infrastruct	22.75	22.30	22.55	22.35
China Light	43.10	42.60	42.90	43
Citic Pacific	44.50	43.60	44.10	43.80
Dao Heng Bk	33.70	33.10	33.40	33.70
First Pacific	7.80	7.60	7.75	7.75
Hang Lung Dev	14.70	14.50	14.55	14.55
Hang Seng Bk	92.75	90.25	92.50	90.25
Henderson Inv	8.80	8.55	8.75	8.60
Henderson Ld	66.50	65.25	66.25	65.50
HK China Gas	15.85	15.55	15.80	15.70
HK Electric	28.85	28.55	28.80	28.25
HK Telecomm	17.30	17	17.10	17.05
Hopewell Hdgs	4.67	4.45	4.55	4.53
HSBC Hdgs	246	239	245	240
Hutchison Wh	73.25	71.50	72.75	72.50
Hysan Dev	23.45	23.15	23.30	22.25
Johnson El Hdg	20.70	20.70	20.70	20.65
Kerry Props	18.15	18.05	18.05	18.05
New World Dev	47.50	46.60	47.10	47
Oriental Press	2.55	2.50	2.50	2.52
Pearl Oriental	1.12	1.07	1.08	1.09
SHK Props	90.75	89.50	90.50	90.50
Shun Tak Hdgs	5.05	4.90	5	5
Sino Land Co.	7.25	7.10	7.20	7.05
Sth China Post	7.10	7	7.10	6.90
Swire Pac A	60.25	59.25	59.75	59.50
Wharf Hdgs	29.10	27.80	29	27.90
Wheelock	15.85	15.45	15.50	15.60

Jakarta
Composite index: 549.92 Previous: 559.22

	High	Low	Close	Prev.
Astra Intl	3300	3150	3175	3300
Bk Intl Indon	1025	975	975	1025
Bk Negara	950	925	925	950
Gudang Garm	9550	9025	9100	9650
Indocement	2400	2350	2400	2400
Indofood	4350	4200	4200	4375
Indosat	8150	8125	8125	8125
Sampoerna HM	6850	6625	6700	6875
Semen Gresik	3175	3100	3175	3150
Telekomunikasi	3625	3550	3550	3625

Johannesburg
All Market: 7181.25 Previous: 7094.71

	High	Low	Close	Prev.
Absa group	32	31.05	32	31.20
AngloAm Coal	274	272	272	274
AngloAm Corp	243	239.50	243	240
AngloAm Gold	247.50	243	247	242.75
AngloAm Ind	182.50	179.50	179.75	181.50
AngloAM Plat	81	80	81	81
AVMIN	11.50	10.75	11.50	10.95
Barlow	53.75	52.75	52.75	53.50
C.G. Smith	23	22.40	23	22.60
De Beers	140.75	139.75	140.25	139.75
Driefontein	31.35	30.90	31.35	30.40
Fst Natl Bk	36.25	35.90	36.30	36.10
Gencor	10.50	10	10.50	10
GFSA	90	89	90	90
Imperial Hdgs	62.75	62	62	62.25
Ingwe Coal	22	21	22	22
Iscor	3.09	3.06	3.07	3.09
Johnnies Indl	60.75	59.75	60.50	60
Liberty Hdgs	358	357.75	357.75	360
Liberty Life	135	133.75	134.50	135
LibLife Strat	15.90	15.60	15.75	16
Minorco	104	102	104	102
Nampak	17.50	17.25	17.40	17.50
Nedcor	101.50	101	101.25	102
Rembrandt Gp	41.40	40.50	41.40	40.50
Richemont	63	62.50	62.50	63.50
SA Breweries	132.75	131.25	132.75	132
Samancor	34.55	34.30	34.40	34.30
Sasol	65	64	64.75	64.50
SBIC	204.50	203.75	203.75	204
Tiger Oats	69	68.50	69	68.25

Kuala Lumpur
Composite: 799.81 Previous: 789.33

	High	Low	Close	Prev.
AMMB Hdgs	8.55	8.35	8.50	8.40
Genting	10.30	10.10	10.10	10.20
Mal Banking	16.30	15.60	16.20	16
Mal Intl Ship F	6.45	6.10	6.30	6.05
Petronas Gas	9.40	9.30	9.40	9.25
Proton	8.95	8.80	8.80	8.85
Public Bk	2.74	2.48	2.73	2.71
Renong	3.26	3.18	3.20	3.22
Resorts World	7.25	7.10	7.10	7.15
Rothmans PM	27	26	26	27
Sime Darby	6.40	6.10	6.40	6.10
Telekom Mal	9.55	9.15	9.55	9.25
Tenaga	8.25	7.90	8.25	8
Utd Engineers	10.20	9.65	10.10	9.70
YTL	4.04	3.98	4	3.98

London
FT-SE 100: 5226.30 Previous: 5065.50

	High	Low	Close	Prev.
Abbey Natl	9.59	9.30	9.44	9.04
Allied Domecq	4.93	4.78	4.82	4.76
Anglian Water	8.20	7.92	8.16	7.99
Argos	6.88	6.68	6.87	6.78
Asda Group	1.67	1.64	1.65	1.65
Assoc Br Foods	5.50	5.34	5.46	5.36
BAA	5.77	5.56	5.72	5.56
Barclays	16.80	15.60	16.40	15.29
Bass	8.39	8.29	8.34	8.31
BAT Ind	5.33	5.25	5.32	5.24
Bank Scotland	5.22	4.73	5.16	4.74
Blue Circle	4.05	3.95	4.01	3.94
BOC Group	11.34	11.23	11.33	11.22
Boots	8.99	8.73	8.87	8.73
BPB Ind	3.42	3.39	3.40	3.38
Brit Aerosp	16.50	16.05	16.31	16.44
Brit Airways	6.97	6.68	6.83	6.68
BG	2.67	2.56	2.63	2.57
Brit Land	6.54	6.25	6.48	6.12
Brit Petm	9.51	9.15	9.45	9.17
BSkyB	4.77	4.65	4.71	4.71
Brit Steel	1.94	1.87	1.87	1.87
Brit Telecom	4.72	4.16	4.21	4.16
BTR	2.48	2.32	2.45	2.35
Burmah Castrol	10.92	10.71	10.89	10.68
Burton Gp	1.39	1.35	1.38	1.35
Cable Wireless	5.54	5.28	5.49	5.32
Cadbury Schw	5.78	5.67	5.75	5.66
Carlton Comm	5.10	5.02	5.08	5.03
Comml Union	7.96	7.51	7.85	7.50
Compass Gp	6.62	6.49	6.54	6.51
Courtaulds	3.54	3.36	3.50	3.37
Dixons	6.48	6.32	6.35	6.32
Electrocomponents	4.61	4.52	4.58	4.52
EMI Group	6.21	5.93	6.09	5.91
Energy Group	6.48	6.40	6.48	6.43
Enterprise Oil	6.65	6.49	6.63	6.44
Fom Colonial	1.80	1.75	1.79	1.76
Genl Accident	10.86	10.05	10.68	9.90
GEC	3.95	3.87	3.94	3.87
GKN	14.22	13.50	14.10	13.29
Glaxo Wellcome	13.75	13.53	13.60	13.64
Granada Gp	9.02	8.78	8.99	8.76
Grand Met	5.92	5.80	5.83	5.81
GRE	3.25	2.95	3.11	2.92
Greenalls Gp	3.99	3.93	3.93	3.99
Guinness	5.75	5.65	5.72	5.67
GUS	7.04	6.55	6.77	6.87
Hays	6.89	6.80	6.89	6.74
HSBC Hldgs	20.69	19.43	20.24	19.25
ICI	10.12	9.94	10.07	9.86
Impl Tobacco	3.76	3.68	3.74	3.68
Kingfisher	8.55	8	8.42	7.99
Ladbroke	2.68	2.63	2.68	2.62
Land Sec	9.80	9.52	9.72	9.50
Lasmo	2.77	2.68	2.76	2.66
Legal Genl Grp	5.02	4.64	4.92	4.61
Lloyds TSB Gp	8.34	7.85	8.19	7.73
LucasVarity	2.42	2.29	2.34	2.27
Marks Spencer	6.26	6.07	6.23	6.08
MEPC	5.22	5.03	5.15	5.05
Mercury Asset	13.15	12.44	13.15	12.50
National Grid	2.84	2.75	2.83	2.78
Natl Power	5.60	5.44	5.57	5.43
NatWest	9.72	8.62	9.40	8.59
Next	7.66	7.53	7.62	7.57
Norwich Union	3.40	3.17	3.37	3.27
Orange	2.26	2.19	2.26	2.19
P&O	6.85	6.79	6.85	6.79
Pearson	7.97	7.81	7.92	7.83
Pilkington	1.55	1.52	1.54	1.50
PowerGen	7.76	7.64	7.72	7.67
Premier Farnell	5.39	5.23	5.33	5.22
Prudential	6.85	6.35	6.66	6.32
Railtrack Gp	9.15	8.13	9.11	9
Rank Group	3.75	3.64	3.68	3.64
Reckitt Colm	9.77	9.68	9.76	9.70
Redland	2.26	2.10	2.22	2.19
Reed Intl	6.02	5.20	5.37	5.86
Rentokil Initial	2.71	2.58	2.66	2.58
Reuters Hdgs	7.15	6.88	7.10	6.86
Rexam	3.43	3.37	3.40	3.40
RTZ reg	9.95	9.81	9.87	9.80
RMC Group	10	9.75	9.88	9.75
Rolls Royce	2.41	2.37	2.40	2.37
Royal Bk Scot	7.23	6.70	7.09	6.58
Royal & Sun All	5.91	5.43	5.74	5.41
Safeway	3.97	3.88	3.96	3.87
Sainsbury	4.72	4.65	4.68	4.64
Schroders	19.60	18.67	19.45	18.50
Scot Newcastle	7.28	7.12	7.21	7.23
Scot Power	4.58	4.43	4.58	4.48
Securicor	2.73	2.68	2.70	2.65
Severn Trent	9.07	8.59	9.07	8.63
Shell Transp R	4.59	4.44	4.56	4.43
Siebe	12.32	11.60	12.27	11.59
Smith Nephew	1.90	1.86	1.90	1.86
SmithKline	5.94	5.68	5.85	5.68
Smiths Ind	9.07	8.88	9.01	8.82
Sthern Elec	4.67	4.52	4.64	4.58
Stagecoach	6.80	6.62	6.76	6.66
Stand Charter	8.87	8.65	8.84	8.63
Tate & Lyle	4.39	4.33	4.37	4.33
Tesco	4.90	4.78	4.88	4.79
Thames Water	8.63	8.15	8.58	8.18
3i Group	5.27	5.11	5.22	5.12
TI Group	6.64	6.14	6.64	6.06
Tomkins	3.46	3.28	3.42	3.29
Unilever	18.11	17.75	17.95	17.69
Utd Assurance	4.99	4.82	4.92	4.86
Utd News	7.82	7.71	7.80	7.63
Utd Utilities	7.53	7.12	7.48	7.15
Vendome Lx uts	4.51	4.45	4.45	4.53
Vodafone	3.40	3.29	3.36	3.30
Whitbread	8.12	7.97	8.05	7.95
Williams Hdgs	3.66	3.58	3.64	3.60
Wolseley	5.08	5	5.06	4.96
WPP Group	2.83	2.78	2.79	2.82
Zeneca	20.45	19.90	20.23	19.90

Madrid
Bolsa index: 629.35 Previous: 623.39

	High	Low	Close	Prev.
Acerinox	27590	27110	27320	27530
ACESA	1985	1945	1965	1965
Aguas Barcelon	6070	5900	6060	5950
Argentaria	8760	8450	8760	8500
BBV	4500	4380	4500	4415
Banesto	1545	1500	1530	1535
Bankinter	8500	8360	8500	8380
Bco Centro Hisp	6220	6140	6220	6190
Bco Popular	9580	9350	9490	9440
Bco Santander	4750	4620	4745	4665
CEPSA	4830	4705	4810	4820
Continente	3170	3010	3170	3020
Corp Mapfre	8540	8400	8400	8500
Endesa	3190	3095	3185	3090
FECSA	1270	1230	1270	1240
Gas Natural	7750	7530	7750	7680
Iberdrola	1810	1760	1800	1805
Pryca	2750	2650	2725	2690
Repsol	6490	6390	6480	6450
Sevillana Elec	1435	1400	1430	1410
Tabacalera	10600	10450	10520	10470
Telefonica	4690	4620	4675	4705
Union Fenosa	1285	1265	1285	1280
Valenc Cement	2965	2910	2960	2940

Manila
PSE index: 2888.78 Previous: 2845.54

	High	Low	Close	Prev.
Ayala B	14	13.50	14	13.50
Ayala Land	16.75	16.50	16.50	16.25
Bk Philip Isl	106	103	104	104
C&P Homes	3.80	3.60	3.65	3.65
Manila Elec A	75	74	75	74
Metro Bank	325	315	322.50	332.50
Petron	4.45	4.30	4.40	4.40
PCIBank	144	143	143	144
Phil Long Dist	930	920	925	910
San Miguel B	59	56.50	58.50	57
SM Prime Hdg	6.40	6.20	6.30	6.40

Mexico
Bolsa index: 5246.15 Previous: 5228.73

	High	Low	Close	Prev.
Alfa A	73.20	71.70	73.00	71.60
Banacci B	23.90	22.45	22.85	23.60
Cemex CPO	41.00	40.00	40.45	40.30
Cifra C	16.86	16.50	16.80	16.36
Emp Moderna	43.50	42.90	43.05	43.00
Gpo Carso A1	63.30	61.50	61.90	62.90
Gpo F Bcomer	3.55	3.47	3.49	3.47
Gpo Fin Inbursa	34.50	34.20	34.30	34.00
Kimb Clark Mex	39.60	37.30	39.60	37.20
Televisa CPO	146.60	144.90	145.00	145.00
TelMex L	19.90	19.60	19.66	19.60

Milan
MIB Telematico: 16058.00 Previous: 15850.00

	High	Low	Close	Prev.
Alleanza Assic	16840	16500	16705	16800
Bca Comm Ital	5105	4910	5000	4990
Bca Fideuram	8140	7605	8100	7775
Bca di Roma	1790	1735	1786	1752
Benetton	29100	28500	29100	28650
Credito Italiano	4440	4320	4415	4390
Edison	9500	9300	9485	9420
ENI	10980	10655	10910	10850
Fiat	6440	6315	6420	6250
Generali Assic	40050	39550	40050	40000
IMI	19450	18955	19450	19430
INA	2770	2695	2735	2725
Italgas	5960	5850	5925	5902
Mediaset	9150	8710	9005	9040
Mediobanca	14025	13660	13995	13950
Montedison	1289	1275	1287	1289
Olivetti	945	928	939	927
Parmalat	2950	2885	2930	2925
Pirelli	5210	4990	5205	5050
RAS	15965	15670	15930	15820
Rolo Banca	25500	24650	25200	24750
S Paolo Torino	13745	12700	13745	12950
Telecom Italia	11840	11440	11840	11500
TIM	7185	6905	7075	6950

Montreal
Industrials index: 3585.71 Previous: 3598.44

	High	Low	Close	Prev.
Bce Mob Com	49	47½	47¾	48½
Cdn Tire A	30	29.80	30	29½
Cdn Util A	38.70	38.70	38.70	38.40
CT Finl Svc	46.65	46½	46½	44.30
Gaz Metro	18.40	18.05	18.40	18¼
Gt-West Lifeco	33.05	33	33	32.80
Imasco	42.20	41.90	42	41.80
Investors Grp	44.85	43	43½	42.35
Loblaw Cos	22	22	22	22
Natl Bk Canada	19.10	18.85	19.05	18.95
Power Corp	40.70	39.80	40.70	40
Power Finl	40¼	40.15	40.55	41
Quebecor B	25.85	25½	25½	25.70
Rogers Comm B	8.20	8.05	8.05	8¼
Royal Bk Cda	68.20	67.35	67.70	67¼

Oslo
OBX index: 704.19 Previous: 702.75

	High	Low	Close	Prev.
Aker A	132	131	131	132.50
Bergesen Dy A	218	213	218	215
Christiania Bk	25.10	24.80	24.80	24.80
Den norske Bk	30.50	29.80	30	29.90
Elkem	126	122	125.50	123
Hafslund A	43.50	43	43.50	44.50
Kvaerner Asa	416	410	415	413
Norsk Hydro	423	418	420.50	421
Norske Skog A	259	257	258	259
Nycomed A	164	161	162	165
Orkla Asa A	600	590	600	592
Petm GeoSvc	461	450	461	455.50
Saga Petm A	150.50	148	150.50	150
Schibsted	125	124	124.50	124.50
Transocean Off	340	340	340	340
Storebrand Asa	52.50	52	52	53

Paris
CAC-40: 2985.63 Previous: 3005.36

	High	Low	Close	Prev.
Accor	1097	1047	1090	1067
AGF	243	236	242.20	239.80
Air Liquide	964	945	956	947
Alcatel Alsth	775	750	766	781
Axa-UAP	395.80	393.10	394.90	396.30
Bancaire	779	743	779	755
BIC	455	432.10	442.80	455.70
BNP	300	290.40	298.90	294
Canal Plus	1057	1000	1025	1058
Carrefour	3615	3551	3551	3610
Casino	susp.	susp.	susp.	332.10
CCF	342	333.10	341	337.10
Cetelem	695	645	685	651
Christian Dior	833	820	825	821
CLF-Dexia Fran	564	533	562	559
Credit Agricole	1305	1305	1305	1301
Danone	916	896	906	898
Elf-Aquitaine	809	796	799	814
Eridania BS	894	867	872	887
Eurodisney	8.25	8.10	8.20	8.20
Eurotunnel	6.55	6.35	6.40	6.50
Gen. Eaux	714	698	702	702
Havas	410	402	406.80	405.50
Imetal	762	754	759	760
Lafarge	443.80	436	441	447.50
Legrand	1275	1242	1259	1262
L'Oreal	2370	2306	2330	2350
LVMH	1275	1257	1260	1270
Michelin B	334	328	330.50	335.50
Paribas A	441.50	435.20	439.80	442.90
Pernod Ricard	292	287.10	289.60	291.40
Peugeot Cit	794	772	777	800
Pinault-Print	2798	2757	2783	2700
Promodes	2360	2231	2320	2260
Renault	176.90	174.10	176.90	176.80
Rexel	1692	1665	1685	1664
Rh-Poulenc A	243	236.30	239.60	240.20
Sanofi	550	537	542	549
Schneider	373.40	363.30	370.70	369
SEB	856	843	853	854
SGS Thomson	559	546	559	555
Ste Generale	851	835	845	840
Sodexho	2855	2800	2814	2822
St Gobain	927	907	918	927
Suez Lyon Eaux	662	652	661	664
Synthelabo	728	708	712	739
Thomson CSF	193.80	188.10	189.90	188
Total B	692	678	679	691
Usinor	122	118.10	118.10	121
Valeo	385	380	380	385.50

São Paulo
Bovespa index: 11492.00 Previous: 11384.60

	High	Low	Close	Prev.
Bradesco Pfd	11.10	10.90	11.10	11.00
Brahma Pfd	825.00	819.90	820.00	820.00
Cemig Pfd	58.00	57.00	58.00	56.00
CESP Pfd	88.00	86.50	87.30	84.99
Copel	17.10	17.00	17.00	17.00
Eletrobras	573.00	564.00	568.00	563.00
Itaubanco Pfd	675.00	640.01	667.00	640.00
Light Servicios	470.00	456.00	470.00	455.00
Lightpar	389.00	377.00	378.00	375.00
Petrobras Pfd	305.00	302.00	303.00	299.00
Paulista Luz	192.00	192.00	192.00	189.50
Sid Nacional	42.50	40.90	42.40	41.50
Souza Cruz	10.40	10.40	10.48	10.40
Telebras Pfd	139.30	137.60	138.10	136.70
Telemig	163.50	161.00	161.20	163.50
Telerj	150.00	146.01	147.00	144.00
Telesp Pfd	330.00	315.00	320.00	315.00
Unibanco	38.50	38.50	38.50	38.10
Usiminas Pfd	11.95	11.82	11.92	11.80
CVRD Pfd	27.30	26.70	26.88	26.90

Seoul
Composite index: 638.26 Previous: 647.88

	High	Low	Close	Prev.
Dacom	80500	78500	78500	80500
Daewoo Heavy	7120	6950	7110	7080
Hyundai Eng.	18000	17300	17900	18000
Kia Motors	6420	6420	6420	6970
Korea El Pwr	20000	19100	19600	19300
Korea Exch Bk	4550	4350	4490	4530
LG Semicon	37000	35800	35900	36900
Pohang Iron St	55000	52500	54000	53800
Samsung Display	44000	42000	43800	44000
Samsung Elec	66000	65000	65700	66000
Shinhan Bank	7400	6750	6800	7330
SK Telecom	441500	398000	441500	409000

Singapore
Straits Times: 1922.85 Previous: 1921.09

	High	Low	Close	Prev.
Asia Pac Brew	5.30	5.30	5.30	5.30
Cerebos Pac	5.50	5.20	5.20	5.40
City Devlts	9.65	9.50	9.55	9.50
Cycle Carriage	9.85	9.20	9.30	9.80
Dairy Farm Int*	0.95	0.94	0.94	0.92
DBS foreign	14.90	14.60	14.70	14.60
DBS Land	3.76	3.66	3.68	3.72
Fraser & Neave	9	8.55	8.60	9
HK Land*	3.38	3.28	3.32	3.30
Jard Matheson*	8.25	7.75	7.95	7.80
Jard Strategic*	3.94	3.84	3.84	3.80
Keppel A	6	5.80	5.95	5.80
Keppel Bank	3.14	3.10	3.12	3.12
Keppel Fels	4.30	4.18	4.28	4.16
Keppel Land	3.88	3.72	3.80	3.70
OCBC foreign	10.10	9.95	9.95	10.20
OS Union Bk F	6.75	6.60	6.65	6.80
Parkway Hdgs	6	5.80	6	5.95
Sembawang	7	7	7	7
Sing Air foreign	12.50	12	12	12.40
Sing Land	6.85	6.80	6.85	6.85
Sing Press F	21	20.70	20.70	20.80
Sing Tech Ind	2.53	2.51	2.51	2.53
Sing Telecomm	2.70	2.53	2.67	2.53
Tat Lee Bank	2.82	2.80	2.80	2.81
Utd Industrial	1.06	1.03	1.05	1.06
Utd O'Sea Bk F	10.50	10.40	10.50	10.50
Wing Tai Hdgs	3.16	3.08	3.10	3.14

*: in U.S. dollars.

Stockholm
SX 16 index: 3538.66 Previous: 3479.19

	High	Low	Close	Prev.
AGA B	120.50	117	120.50	118.50
ABB A	109.50	105.50	109	105.50
AssiDoman	257	249	255.50	255.50
Astra A	142	137	142	139
Atlas Copco A	256	246	255	249
Autoliv	334.50	323	327.50	336.50
Electrolux B	569	560	567	565
Ericsson B	365	357	365	360.50
Hennes B	331	326	330	327
Incentive A	742	730	740	732
Investor B	407.50	400	407.50	402
MoDo B	280	275.50	280	278
Nordbanken	261.50	256	260	257.50
Pharm/Upjohn	277	271.50	274.50	272.50
Sandvik B	262	251	262	253
Scania B	235	230	235	232.50
SCA B	194.50	189	194	193
S-E Banken A	91.50	89.50	91.50	91
Skandia Fors	338	326	334.50	332
Skanska B	329.50	324	329.50	325
SKF B	223.50	220	222.50	221
Sparbanken A	186	181	185	182
Stora A	132	127	132	127.50
Sv Handels A	259	251.50	259	256.50
Volvo B	211.50	206	211	207

Sydney
All Ordinaries: 2775.60 Previous: 2779.20

	High	Low	Close	Prev.
Amcor	8.89	8.63	8.64	8.93
ANZ Bkg	11.49	11.40	11.45	11.44
BHP	16.30	15.74	16.05	15.81
Boral	4.17	4.08	4.15	4.12
Brambles Ind.	29.80	29.54	29.70	29.60
CBA	17.16	17.02	17.07	17.22
CC Amatil	15.39	15.25	15.26	15.41
Coles Myer	6.86	6.61	6.61	6.87
Comalco	6.75	6.65	6.69	6.75
CSR	5.70	5.66	5.70	5.68
Fosters Brew	2.97	2.88	2.88	2.97
Goodman Fld	2.20	2.14	2.16	2.14
ICI Australia	13.02	12.85	13	13.05
Lend Lease	32.95	32.40	32.65	32.95
MIM Hdgs	1.66	1.63	1.66	1.63
Nat Aust Bank	22.40	22.07	22.36	22.40
Nat Mutual Hdg	2.43	2.33	2.33	2.42
News Corp	7.20	7.09	7.11	7.01
Pacific Dunlop	3.85	3.80	3.82	3.82
Pioneer Intl	4.74	4.71	4.74	4.71
Pub Broadcast	9.25	9.10	9.14	9.19
Rio Tinto	20.92	20.60	20.63	20.68
St George Bank	8.98	8.90	8.98	8.98
WMC	7.29	6.25	6.42	6.25
Westpac Bkg	8.84	8.73	8.74	8.83
Woodside Pet	12.68	12.40	12.65	12.42
Woolworths	4.57	4.47	4.56	4.51

Taipei
Stock Market index: 8719.00 Previous: 8791.81

	High	Low	Close	Prev.
Cathay Life Ins	133.50	130	132	133.50
Chang Hwa Bk	108	103.50	106	106
Chiao Tung Bk	75.50	73.50	74.50	73.50
China Develpmt	107.50	103.50	103.50	111
China Steel	28.20	27.20	27.40	27.60
First Bank	107.50	103	106	106
Formosa Plastic	59.50	58	58.50	58.50
Hua Nan Bk	116.50	112	114	113.50
Intl Comm Bk	58	56	57	57
Nan Ya Plastics	70	68	70	69
Shin Kong Life	87	84	85	86
Taiwan Semi	135	129	132.50	135
Tatung	36.50	35.20	35.20	36.30
Utd Micro Elec	82	77	81.50	81.50
Utd World Chin	63.50	62	62.50	62.50

Tokyo
Nikkei 225: 17994.71 Previous: 18341.96

	High	Low	Close	Prev.
Ajinomoto	1050	1030	1030	1040
All Nippon Air	717	686	688	717
Amway	3550	3520	3520	3520
Asahi Bank	755	742	744	755
Asahi Chem	618	602	606	601
Asahi Glass	960	927	928	958
Bk Tokyo Mitsu	2360	2300	2300	2300
Bk Yokohama	490	476	482	495
Bridgestone	2960	2910	2920	2950
Canon	3590	3530	3540	3580
Chubu Elec	2080	2030	2030	2060
Chugoku Elec	1980	1950	1950	1970
Dai Nipp Print	2640	2570	2570	2660
Daiei	710	685	690	750
Dai-Ichi Kang	1400	1370	1380	1360
Daiwa Bank	583	542	549	575
Daiwa House	1250	1190	1210	1250
Daiwa Sec	720	705	705	715
DDI	6250a	6170a	6170a	6200a
Denso	2990	2850	2870	2980
East Japan Ry	5620a	5480a	5480a	5600a
Eisai	2210	2180	2180	2240
Fanuc	4700	4570	4600	4760
Fuji Bank	1430	1350	1380	1440
Fuji Photo	5130	5030	5070	5020
Fujitsu	1610	1530	1530	1590
Hachijuni Bk	1200	1180	1180	1180
Hitachi	1080	1030	1030	1080
Honda Motor	4390	4280	4280	4320
IBJ	1560	1470	1470	1470
IHI	310	283	296	310
Itochu	437	392	392	432
Ito-Yokado	6510	6220	6240	6450
JAL	474	450	450	455
Japan Tobacco	9400a	9250a	9250a	9450a
Jusco	2870	2820	2840	2840
Kajima	570	551	560	565
Kansai Elec	2180	2130	2130	2190
Kao	1760	1720	1740	1700
Kawasaki Hvy	427	418	418	431
Kawa Steel	234	230	230	234
Kinki Nipp Ry	684	673	675	682
Kirin Brewery	1000	980	980	998
Kobe Steel	152	150	150	152
Komatsu	711	690	701	685
Kubota	465	445	445	450
Kyocera	7800	7690	7700	7800
Kyushu Elec	2080	2040	2040	2050
LTCB	596	561	565	586
Marubeni	401	380	384	401
Marui	1990	1940	1950	1980
Matsu Comm	4000	3930	3950	3900
Matsu Elec Ind	2170	2120	2120	2140
Matsu Elec Wk	1250	1210	1230	1200
Mitsubishi	1170	1130	1140	1120
Mitsubishi Ch	284	260	265	286
Mitsubishi El	491	480	482	487
Mitsubishi Est	1810	1730	1730	1740
Mitsubishi Hvy	678	660	661	660
Mitsubishi Mat	643	627	627	636
Mitsubishi Tr	1970	1870	1870	1860
Mitsui	958	935	937	955
Mitsui Fudosn	1580	1520	1540	1540
Mitsui Trust	629	591	591	598
Murata Mfg	5190	5090	5110	5190
NEC	1520	1470	1470	1460
Nikko Sec	1950	1860	1870	1980
Nikon	535	520	529	506
Nintendo	11400	11200	11200	11300
Nipp Express	745	731	734	733
Nippon Oil	530	498	500	538
Nippon Steel	266	260	260	261
Nissan Motor	742	715	715	734
NKK	174	170	171	172
Nomura Sec	1640	1570	1580	1590
NTT	1130b	1100b	1110b	1120b
NTT Data	5420b	5310b	5410b	5290b
Oji Paper	570	550	551	563
Osaka Gas	281	276	277	287
Ricoh	1810	1760	1800	1790
Rohm	14100	14100	14100	14100
Sakura Bk	648	615	618	650
Sankyo	4250	4150	4230	4170
Sanwa Bank	1600	1530	1530	1550
Sanyo Elec	398	383	383	402
Secom	8050	7950	7970	7950
Seibu Rwy	5040	4840	4840	4990
Sekisui Chem	901	898	899	897
Sekisui House	1150	1110	1120	1130
Seven-Eleven	9310	9110	9110	9220
Sharp	1140	1120	1130	1140
Shikoku El Pwr	1980	1950	1950	1970
Shimizu	573	551	551	573
Shin-etsu Ch	3350	3250	3250	3330
Shiseido	1940	1910	1910	1950
Shizuoka Bk	1290	1260	1270	1280
Softbank	4920	4850	4860	4930
Sony	11500	11200	11300	11600
Sumitomo	920	902	909	902
Sumitomo Bk	1880	1830	1830	1850
Sumit Chem	442	432	435	441
Sumitomo Elec	1750	1720	1720	1730
Sumit Metal	253	246	249	253
Sumit Trust	1260	1160	1170	1260
Taisho Pharm	3190	3130	3130	3120
Takeda Chem	3680	3530	3550	3580
TDK	11000	10500	10700	11100
Tohoku El Pwr	2010	1950	1950	2020
Tokai Bank	1010	988	990	983
Tokio Marine	1470	1430	1430	1470
Tokyo El Pwr	2360	2300	2300	2340
Tokyo Electron	7540	7350	7370	7510
Tokyo Gas	288	282	282	292
Tokyu Corp.	583	570	572	589
Tonen	1120	1050	1060	1130
Toppan Print	1680	1630	1630	1690
Toray Ind	734	720	727	731
Toshiba	641	611	617	615
Tostem	1910	1860	1890	1870
Toyo Trust	983	959	960	964
Toyota Motor	3720	3640	3640	3700
Yamanouchi	2930	2890	2890	2940

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6969.94 Previous: 6975.72

	High	Low	Close	Prev.
Abitibi Cons.	24.10	23.70	23.80	23.85
Alberta Energy	33½	33.35	33.35	33¼
Alcan Alum	47¼	46.70	46¾	47¼
Anderson Expl	17¼	17.10	17.20	17.10
Bk Montreal	59½	58½	59	59.10
Bk Nova Scotia	65¼	64.60	64.90	64.60
Barrick Gold	32.85	32.45	32.65	32.90
BCE	41.95	41.35	41½	41¼
BC Telecomm	35.60	35¼	35.40	35.15
Biochem Pharm	42.60	42.60	42.60	42.60
Bombardier B	27¾	27½	27.65	27.65
Cameco	51¼	50½	51	50.10
CIBC	40.30	39.45	39¾	40
Cdn Natl Rail	71.90	71¼	71.70	71.10
Cdn Nat Res	41½	40.60	41.45	41.30
Cdn Occid Pet	36.40	36.05	36.20	36.35
Cdn Pacific	41	40.55	40.90	40¼
Cominco	32.60	32.05	32.60	32
Dofasco	27.90	27.30	27.30	27.80
Domtar	11.90	11¾	11¾	11.90
Donohue A	32	31½	31.65	32
Du Pont Cda A	34½	34.45	34½	34½
EdperBrascan	23.85	23.60	23.65	23.65
EuroNev Mng	23.40	22.30	22.55	22¾
Fairfax Finl	390	388	388	388
Falconbridge	24.70	24.40	24.45	24.45
Fletcher Chall A	22¼	22	22.10	22
Franco Nevada	30¼	30.30	30.30	30.30
Gulf Cda Res	13¼	12.95	13.10	12.10
Imperial Oil	79.70	78½	79.40	78.70
Inco	33¼	33.05	33.65	33.05
IPL Energy	54.95	54.40	54.90	54.20
Laidlaw B	21.65	21.20	21.20	21½
Loewen Group	37.95	37½	37.55	37.80
Macmill Bldl	20.05	19¾	20.05	19.95
Magna Intl A	96½	94¼	95½	94¼
Methanex	12	11.85	11.85	11.95
Moore	26.20	25¾	26.20	25.70
Newbridge Net	85.60	83¼	83.90	85.20
Noranda Inc	26.70	26.55	26.60	26.60
Norcen Energy	35	34.85	34.85	34.70
Nthern Telecom	145½	142.05	142.90	145¼
Nova	11.60	11.45	11½	11¼
Onex	36¼	36¼	36½	36¼
Pancdn Petm	25¼	24¾	24.90	25
Petro Cda	24.70	24.30	24.60	24.45
Placer Dome	24.60	24.10	24¼	24.70
Poco Petm	13.60	13	13½	13.15
Potash Sask	104½	104	104½	103¼
Renaissance	35.15	34.05	34¼	35.20
Rio Algom	29.70	29.55	29.60	29.80
Rogers Cantel B	24.80	24½	24⅝	24½
Seagram Co	49	48.25	48.40	48.90
Shell Cda A	23.55	23.45	23.55	23.40
Suncor	47.90	47.35	47.35	47.45
Talisman Eny	46.35	45.70	45.95	46¼
Teck B	26¼	25¾	26	25.95
Teleglobe	49.90	49¼	49¾	49.95
Telus	29.20	28.85	28.90	29.20
Thomson	34.45	34	34	34.40
TorDom Bank	47.60	46.65	47	47⅛
Transalta	18.20	18.05	18.10	18.10
TransCda Pipe	27	26.80	26.90	27.05
Trimark Finl	80½	78.30	80	79.65
Trizec Hahn	34¼	34½	34.65	34.55
TVX Gold	7.65	7.45	7.55	7.70
Westcoast Eny	28.85	28.65	28¾	28.70
Weston	107½	107	107	109.45

Vienna
ATX index: 1413.33 Previous: 1419.17

	High	Low	Close	Prev.
Boehler-Uddeh	1038	1020	1030	1045
Creditanst Pfd	632	622.10	626.30	634
EA-Generali	3350	3215	3338	3299.30
EVN	1494	1473	1478	1494
Flughafen Wien	514.95	508.50	512.50	517
OMV	1831	1795	1828	1827.90
Oest Elektriz	877.90	871.20	877.30	877
VA Stahl	600	596.10	597.70	603
VA Tech	2680	2642	2680	2660
Wienerberg Bau	2590	2566.65	2582	2610

Wellington
NZSE-40 index: 2534.65 Previous: 2545.58

	High	Low	Close	Prev.
Air N Zeald B	4.03	4	4.03	4.03
Brierly Invt	1.34	1.33	1.33	1.33
Carter Holt	3.40	3.38	3.39	3.39
Fletch Ch Bldg	5.05	4.98	5	5.04
Fletch Ch Eny	7.10	7.04	7.10	7.09
Fletch Ch Forst	1.95	1.93	1.95	1.95
Fletch Ch Paper	3.10	3.08	3.10	3.09
Lion Nathan	3.93	3.90	3.90	3.93
Telecom NZ	8.05	7.98	8	8.10
Wilson Horton	11.45	11.45	11.45	11.45

Zurich
SPI index: 3651.72 Previous: 3623.86

	High	Low	Close	Prev.
ABB B	2145	2111	2135	2125
Adecco B	580	553	577	556
Alusuisse R	1357	1336	1349	1351
Ares-Serono B	2375	2320	2365	2380
Atel R	852	845	852	834
Baer Hdg B	2220	2171	2215	2200
Baloise Hdg R	2120	2055	2113	2074
BK Vision	1210	1170	1208	1190
Ciba Spec Chem	142.50	137.50	141.50	142
Clariant R	1175	1160	1164	1177
Cred Suisse Gp R	197.25	190.50	197	193.75
Elektrowatt B	537	535	537	537
Ems-Chemie	6920	6855	6915	6890
ESEC Hdg	3980	3920	3950	3950
Holderbank B	1344	1315	1336	1319
Liechtenst LB B	570	570	570	570
Nestle R	2047	2012	2047	2040
Novartis R	2279	2215	2270	2245
Oerlikon Buehr R	189	184.50	187.75	186.50
Pargesa Hld B	1915	1895	1910	1915
PharmVisn B	903	877	902	893
Richemont A	1969	1945	1950	1977
Pirelli PC	334	330	334	331
Roche Hdg PC	13295	13035	13290	13150
SBC R	391	386	391	389.50
Schindler PC	1770	1757	1760	1800
SGS B	2590	2495	2549	2480
SMH B	860	845	860	855
Sulzer R	1138	1075	1136	1080
Swiss Reins R	2157	2126	2157	2164
SAir Group R	1953	1925	1925	1935
UBS B	1698	1657	1690	1659
Winterthur R	1420	1368	1419	1391
Zurich Assur R	625	609	624	625

NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

Banks to Force Kia Into Receivership

Court to Manage Failed Group

Compiled by Our Staff From Dispatches

SEOUL — Creditors of Kia Group agreed Friday to put the automotive concern in court receivership before trying to salvage part of it or selling it off, the head of a leading creditor bank said.

Kia's creditors gave the conglomerate's executives 10 days to hand over management of the company to a court in what would be the largest bankruptcy in South Korean history.

Creditors said Kia would also have to lay off some of its 60,000 workers, prompting unions to call for a walkout.

About 15,000 workers from Kia Motors Co. are expected to strike Saturday, a union spokesman said. The decision to walk out was made at an emergency meeting of union representatives, the spokesman said.

"We will watch the situation before deciding whether to continue the strike on Monday," he said.

The Munhwa Ilbo newspaper said workers at 17,000 Kia subcontractors would go on strike Monday to protest the move by the creditors.

The decision, reached at a meeting of the heads of Kia's 15 main creditors, followed weeks of brinkmanship between the country's eighth-largest industrial group and its bankers, who are exposed to its $10 billion of debt.

"This is the best way to save Kia," said Yoo Shi Yul, president of Korea First Bank, Kia's main creditor. He said representatives of more than 140 of Kia's creditors were expected to meet Monday to complete the agreement.

Mr. Yoo said court receivership would be more beneficial to Kia than rescheduling its debt because, under debt rescheduling, creditors could not provide additional funds, and the danger of Kia's subcontractors going bankrupt would be greater.

"Should Kia be placed under court receivership, creditors could funnel lifeline loans on condition that the labor union submit a written agreement on downsizing," he said.

A two-month grace period to freeze Kia's debts will expire Monday. Mr. Yoo said Kia would not go bankrupt immediately after that because the courts would freeze its debts temporarily. On Friday, a provincial court froze debts of Asia Motors Co., Kia's truckmaking unit.

Mr. Yoo said major creditors had agreed to allow individual lenders to decide whether to support Kia Motors if it opted not to seek court receivership. The special court protection requires endorsements from three-quarters of the creditors, who have recently asked top Kia executives to step down.

Mr. Yoo added that Kia's labor union would have to agree to major layoffs to put the group in court receivership. But he said thousands of Kia contractors would avoid bankruptcy if the company were placed in receivership.

Kia Motors alone has debt of 8.5 trillion won ($9.29 billion), including some it has guaranteed for other Kia subsidiaries.

Kia, which also asked a court Friday to take over two subsidiaries it said it could not bail out, is the latest in a string of South Korean industrial groups, or *chaebol*, to run into trouble because of mounting debt and the country's slowing economy.

On Friday, Korea's benchmark stock index tumbled 1.35 percent, to close at 638.81 points, and the shares of Kia Motors, Asia Motors and Kia Motor Sales Co. all fell by their 8 percent daily limit. Many investors are concerned that Kia's troubles will spread to other companies.

By putting the ball into Kia's court, bankers aim to push the group into bankruptcy proceedings without being perceived as the villains, enabling them to recoup some of their money.

(Reuters, AFP, Bloomberg)

■ Country's Growth to Be Cut

Kia's bankruptcy will reduce Korea's economic growth rate by about one percentage point, bringing it down to an estimated 5 percent this year, compared with 7 percent last year, Bloomberg News reported, quoting a Daewoo Economic Research Institute report.

Lee Jang Young, economist at Korea Institute of Finance, said the initial impact of Kia's bankruptcy would be large. The group, he said, could not be saved in its present form.

"That seems to be the only way to save the banks as well as the country's credibility," Mr. Lee said. If Kia's creditors agree to freeze Kia's debt, that will raise South Korean banks' ratio of bad loans to 7 percent from 5.5 percent of their total loans.

Financier Lifts Jardine Stake

Li Ka-shing Now Holds 4% of Huge Hong Kong Firm

Compiled by Our Staff From Dispatches

HONG KONG — Li Ka-shing, the billionaire property developer, raised his stake in Jardine Matheson Holdings Ltd. to 4 percent, increasing his leverage over the company that symbolized British colonial rule in Hong Kong.

The move was disclosed by Jardine on Friday. The company had asked shareholders to disclose their holdings after unusually heavy trading in Jardine shares.

Mr. Li, an adviser to Beijing and a folk hero among Hong Kong Chinese, spent more than $50 million to raise his stake from 3 percent.

A spokeswoman for Cheung Kong said the group had no plans to increase its stake in Jardine Matheson. Jardine officials declined to comment on this.

Neither Jardine nor Cheung Kong has made any statement on future cooperation between the two groups. Cheung Kong's vice chairman, Victor Li, told reporters in early August that the share purchase was a friendly investment and should not be considered a hostile move.

Friendly or not, the latest move will give Mr. Li more sway over Jardine, whose origins date from Britain's arrival in Hong Kong in the 1840s. A decade ago, Mr. Li twice failed to take over Jardine's property arm.

"K.S. Li may have something up his sleeve," said Nam Park, an analyst at ING Baring Securities (H.K.) Ltd.

As it did in August, the disclosure of Mr. Li's interest sent Jardine Matheson stock higher. The shares, traded in Singapore, after rising as much as 7 percent, closed Friday at $7.95, up 3 percent.

In mid-August traders noticed "fairly heavy trading in Jardine shares," which prompted a request to shareholders to report their holdings, a Jardine spokesman said.

Volume in Jardine Strategic Holdings Ltd. rose sharply on Sept. 18, when 5.63 million shares were traded. The share price rose to a high of $3.92 before closing at $3.84.

Mr. Li's public backing may accelerate Jardine's expansion on the mainland and pique other investors' interest.

In the years leading up to Hong Kong's return to China, Jardine's support for democratic reform in Hong Kong drew fire from Beijing and impeded its business in China.

Mr. Li is known as one of Hong Kong's most savvy traders, whose investment prowess has won him the nickname "Superman" in the Hong Kong press.

But analysts have said that Mr. Li's interest in Jardine is more important symbolically than it is financially, since it represents a break with the trading company's colonial past.

Mr. Li, 69, made the investments though his main companies, Cheung Kong (Holdings) Ltd. and Hutchison Whampoa Ltd.

Hutchison's interests include property, retailing, ports and telecommunications. Cheung Kong is the territory's second-biggest developer. Jardine Matheson, which predates colonial rule, is the biggest trading company in Hong Kong.

Hongkong Land is one of the biggest landlords and owner of 40 percent of the central business district.

Those office towers — whose tenants include the territory's stock exchange and stock exchange regulators and such investment banks as Salomon Brothers and Morgan Stanley — may be the prizes Li wants.

The Keswick family that controls Jardine may be willing to sell them to finance a push into China, said Steven Thompson, a senior analyst with Nikko Research Center.

"For the Keswick family, they probably think it's now time to sell Hongkong Land's assets," Mr. Thompson said.

"The only question is what price are they willing to do this?"

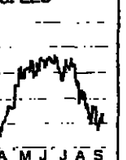
Hutchison Whampoa's first-half net profit was virtually unchanged from the first half of 1996, at 7.84 billion Hong Kong dollars ($1.01 billion), even though operating profit doubled. Cheung Kong Holdings reported a 69 percent increase in first-half net profit, to 13.78 billion dollars, from a year earlier.

Hongkong Land rose 2 cents to $3.32 in Singapore. The companies moved their listings to Singapore from Hong Kong in 1995, citing a disagreement over takeover regulations.

Jardine has been widely reported to be seeking to relist its shares in Hong Kong after getting assurances from Chinese officials that Beijing was willing to provide assistance to Jardine's businesses in China.

(Bloomberg, Reuters)

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,710.87	14,636.59	+0.51
Singapore	Straits Times	1,922.85	1,921.09	+0.09
Sydney	All Ordinaries	2,775.60	2,779.20	-0.13
Tokyo	Nikkei 225	17,994.71	18,341.96	-1.89
Kuala Lumpur	Composite	799.81	789.33	+1.33
Bangkok	SET	557.98	567.36	-1.65
Seoul	Composite Index	638.26	647.00	-1.35
Taipei	Stock Market Index	8,719.00	8,791.81	-0.83
Manila	PSE	2,080.78	2,065.56	+0.74
Jakarta	Composite Index	548.92	559.22	-1.66
Wellington	NZSE-40	2,556.65	2,565.58	-0.35
Bombay	Sensitive Index	3,925.24	3,887.56	+0.97

Source: Telekurs International Herald Tribune

Very briefly:

• **Evergreen Marine Corp.**, the world's biggest container-shipping concern, said revenue fell 21 percent, to 2.48 billion Taiwan dollars ($86.7 million), in August amid declining prices on global routes. For the first eight months of the year, revenue was down 14 percent, to 18.5 billion dollars.

• **The Port of Singapore Authority** became a corporate entity as a first step in a privatization program that will result in a listing on the Singapore exchange. Singapore is the world's second-busiest container port, after Hong Kong.

• **Kokusai Denshin Denwa Co.**, Japan's biggest international telephone company, has taken legal action in the United States to seek a reversal of the Federal Communications Commission's decision to cut rates that U.S. phone companies pay to companies in other countries to complete international calls.

• **Marubeni Corp.**, a Japanese trading company, is launching a fund with **Compagnie Generale des Eaux SA** of France to start ventures such as water supply, garbage handling and hospital management in Asia. The two companies plan to invest more than 100 billion yen ($831.3 million) over the next two years.

• **The Philippines** and **Denmark** signed an accord to promote investment between the two countries. *Bloomberg, AFP, Reuters*

Japan's Boss of the Year: Genghis Khan

The Associated Press

TOKYO — When Japanese civil servants dream of the perfect boss, they don't envision some warm-and-fuzzy manager who forgives mistakes and gives workers an extra day off now and then.

Their ideal is Genghis Khan, who combined brilliant military tactics with brute force to conquer wide swaths of the world.

The 13th-century Mongol warrior was named most frequently by new civil servants who were asked in a survey to identify the person they thought would make the best supervisor.

Katsushi Koizumi, a spokesman for the National Personnel Authority, said many young workers regarded Genghis Khan as "a man of organization who achieved a united Mongolia, rather than just a conqueror."

Of the 520 newly hired national civil servants who were questioned, 79 listed Genghis Khan. It was the first time since the survey began in 1991 that a non-Japanese had led the list.

Finishing second with 52 votes was Akira Ohgi, manager of the baseball team that won the 1995 Japanese championship. Prime Minister Ryutaro Hashimoto finished in ninth place, with eight votes.

Doubt on Japan Growth Goal

Agence France-Presse

TOKYO — Japan's official target of 1.9 percent economic growth for the current fiscal year was called into doubt Friday by a leading bank, which cited the prolonged impact of a rise in the consumption tax in April.

Long-Term Credit Bank of Japan Ltd. said it had cut to 1 percent from 1.9 percent its forecast of growth in Japan's gross domestic product for the year ending in March 1998. The bank gave its main reason as a slump in private consumption, which it now says will expand 0.9 percent, down from a forecast of 1.9 percent.

Rubin Says Beijing Not Ready for WTO

U.S. Treasury Chief Demands a 'Real Opening' of China's Markets

Bloomberg News

BEIJING — China has not committed itself to opening its markets sufficiently for the United States to back its entry into the World Trade Organization, U.S. Treasury Secretary Robert Rubin said Friday.

"On WTO, our position remains unchanged," Mr. Rubin said at a news conference after he met with Finance Minister Liu Zhongli of China.

"We are a very, very strong advocate of China becoming a member of the WTO, but we believe it must be on commercially viable terms, which means real opening of China's markets. In our judgment, that's what the WTO is all about."

Mr. Liu said China wanted to become a member of the trade body, which mediates disputes between nations, but would not join if terms were "too demanding." China has been seeking for years to enter the world trade body. Doing so would allow importers of its products, such as textiles and machinery, to pay reduced tariffs and would give Beijing access to the WTO's mechanism for settling trade disputes.

The United States said those benefits should be extended to China only if it provided its trading partners with greater access to its markets.

The issue is pressing for the United States because China's trade surplus with that country is surging. The U.S. trade gap with China rose to $4.71 billion in July, its highest level since October 1996, and it was 32.5 percent higher in the first seven months of this year than in the same period of 1996.

For all of this year, the U.S. trade deficit with China could be as high as $50 billion, analysts say. "That large deficit creates problems, both economically and politically, in the United States," Mr. Rubin said.

Asked about when China may be ready to join the WTO, Mr. Rubin said: "I can't predict that." He welcomed Beijing's recent moves to cut tariffs as "moving in the direction of opening markets in China" but added, "In terms of WTO membership, there are obviously a lot of other issues that remain, and nontariff barriers."

U.S. negotiators were disappointed by offers that Beijing made in trade talks this week, according to officials familiar with the talks. These include a proposal to cut tariffs by a single percentage point or less on about 290 items, while tariffs on 163 items would rise.

■ EU Assails Korean Liquor Tax

The European Union asked the World Trade Organization to look into South Korea's tax on imported alcoholic beverages, Bloomberg reported from Tokyo. The request came just ahead of a conference this weekend in the Japanese capital aimed at expanding trade between Asia and Europe.

The disputes over South Korea's liquor taxes and China's bid to join the WTO are expected to be high on the agenda. Seoul's liquor tax is a "long-standing trade irritant" in an industry where the EU has "a major economic interest," Roderick Abbott, the EU ambassador in Geneva, said. Companies such as Guinness PLC, Grand Metropolitan PLC and Allied Domecq PLC stand to gain if South Korea's 100 percent tax on imported whiskey is cut. The comparable tax on *soju*, a South Korean spirit, is only 32.5 percent.

VIETNAM: *Its New Leaders Face a Sobering Economic Reality*

Continued from Page 11

and others have frozen investment and reconsidered future projects.

Despite the rumblings among investors, however, the Vietnamese themselves, particularly in the cities, appear upbeat, convinced that their lives have improved under doi moi. The shops are full of consumer goods, the streets clogged with motor scooters. Opportunities abound, and young entrepreneurs are everywhere. More Vietnamese are going to college, and more are bringing home good paychecks than ever before.

"There is no turning back," said a former soldier in the North Vietnamese Army who is now an English professor. "The young today have opportunities we never dreamed of. It is inconceivable that this whole process, however it gets there, can go anywhere but forward."

The National Assembly, elected in July, includes 118 women, 61 independents who are not party members but whose candidacy had to be approved by the party, and a former captain in the South Vietnamese Army. The average age of the legislators is 49 — the youngest is 21 — and 80 percent have college educations, compared with 56 percent in the previous assembly elected five years ago.

Since Ho Chi Minh's death in 1969, leadership in Vietnam has not been centered in any one office or individual. Decisions are made by consensus, and politicians strike a balance to take into consideration the interests of various groups: Communists and business executives; reformists and conservatives; northerners, southerners and those from central Vietnam; and the military.

Kazak Bank Plans Bonds

Reuters

ALMATY, Kazakstan — Halyk Savings Bank, Kazakstan's largest bank, is racing to be the first in the former Soviet republic to issue a Eurobond, a bank official said Friday.

"By the end of this month, we expect a preliminary decision on our bank's credit rating," said Leonid Ivanov, the bank's deputy board chairman. "I think Eurobonds of up to $100 million may be issued in October or November."

Kazkommertsbank, the biggest privately owned Kazak bank, also plans a Eurobond by the end of the year.

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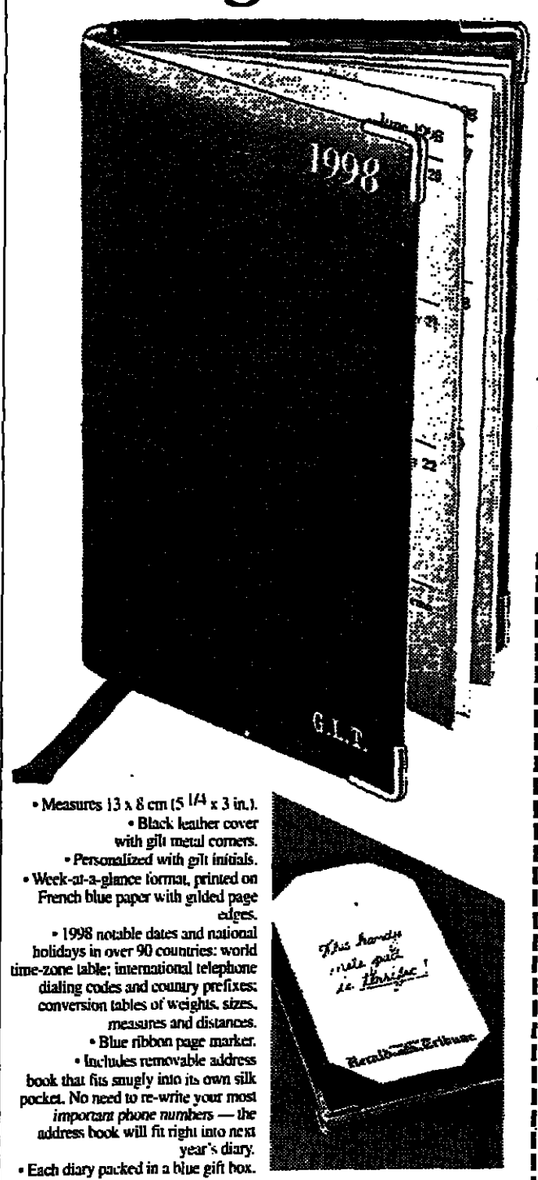

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THE MONEY REPORT

MONDAY: SPORTS

SATURDAY-SUNDAY, SEPTEMBER 27-28, 1997
PAGE 16

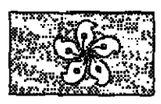
A Pack of Puppies

The Dogs of the Dow theory applied to blue-chip stock indexes in major world markets. The central theory is that investors would do well to buy the 10 highest-yielding stocks in the Dow Jones industrial average once a year and hold them for 12 months. We applied this theory to the 10 highest yielding stocks in other indexes as of Dec. 30, 1996, and measured their total return, which is the amount of money investors made or lost, including dividends, through Sept. 5.

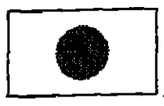
Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
Britain FTSE 100		+25.19
Hanson	9.96	+18.71
BG	7.98	+83.30
British Steel	7.78	+13.66
National Grid	6.89	+45.93
Imperial Tobacco	6.61	+ 5.93
Allied Domecq	6.47	+ 6.61
P&O	6.47	+13.62
BAT Industries	6.44	+17.20
United Utilities	6.37	+18.18
Severn Trent	6.29	+28.41

Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
France CAC-40 Index		+29.31
Eridania Beghin Say	5.95	+ 5.98
Valeo	5.61	+15.30
Paribas A	5.22	+32.10
Accor	5.17	+57.50
Dexia France	5.15	+33.70
Bouygues	5.06	+ 1.79
LaFarge	4.82	+43.44
Pernod-Ricard	4.53	+ 7.42
Suez Lyonnaise Des Eaux	4.44	+45.45
Elf Aquitaine	4.42	+64.32

Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
Germany DAX Index		simple gain was 41.96%
Thyssen	3.68	+66.14
Commerzbank	3.45	+75.99
Preussag	3.44	+44.66
Bayer.Hypbk	3.11	+60.91
Dresdner Bank	2.93	+71.10
MAN	2.65	+49.43
Deutsche Bank	2.50	+58.22
Karstadt	2.50	+29.30
Bayer	2.39	+14.95
Bayerische VBK	2.37	+57.09



Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
Hong Kong Hang Seng Index		+10.31
Shun Tak Holdings	8.37	8.82
Hong Kong Telecom	5.45	+2.17
South China Morning Post	4.79	+ 3.90
Hong Kong Electric	4.55	+15.07
Henderson Investm	4.43	- 3.82
China Light & Power	4.12	+18.40
Hang Lung	4.12	- 14.78
Cathay Pacific	4.06	+10.93
Amoy Properties	3.81	- 29.59
Hang Seng Bank	3.76	+ 4.22



Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
Japan Nikkei-225 Stock Average		-3.21%
Tonen	2.96	+13.19
Chubu Elec. Power	2.77	+10.29
Kansai Elec. Power	2.68	- 4.72
Tokyo Elec. Power	1.91	- 8.64
Fujita	1.8	+68.51
Fuji Electric	1.65	+11.22
Japan Energy	1.59	- 26.75
Tokyo Gas	1.58	- 5.90
Osaka Gas	1.56	+10.61
Tomen	1.56	- 25.73

Index/Stock return	End-1996 yield	Total return for 1997 on Sept. 5
United States Dow Jones industrial average		20.99
Philip Morris	4.19	18.30
J.P. Morgan	3.53	13.27
Texaco	3.44	23.09
Chevron	3.25	20.67
Exxon	3.18	31.58
AT&T	2.99	-3.08
GM	2.88	21.73
International Paper	2.45	34.36
DuPont	2.38	31.43
3M	2.31	10.19

Sources: Datastream, Bloomberg

International Herald Tribune

With Some of the World's Top Dogs, Investors Find a New Trick

By Andrew Blum

THE HOUNDS are loose. The Dogs of the Dow, a popular American stock-picking strategy, is making its way around the world in various forms.

It is a simple tactic: Take the blue-chip stocks in the Dow Jones industrial average and, each New Year's Eve, buy equal dollar amounts of the 10 shares with the highest dividend yields. Hold the stocks for a year and you should outperform the average when the total return is calculated from the payouts and the securities' appreciation.

The idea is that stocks with high yields are compensating investors for perceived risks that are not present in the rest of the index. The high-yielding stocks may be today's dogs, but since the components of the Dow industrials are supposed to be America's best corporations, the theory goes that they will eventually work out their problems.

The strategy of buying these high-yielding blue-chips is known as the Dogs of the Dow theory, and it is sufficiently popular to have its own World Wide Web site and several unit-investment trusts and mutual funds that attempt to duplicate it or its numerous variants around the world.

The strategy would have given a 17.7 percent average annual return since 1973, compared with 11.7 percent for the Dow in the same period, according to the Dogs of the Dow Web site. Put another way, if you had invested $1,000 in the dogs in 1970, you would have earned $55,170 in 25 years, versus $17,229 for the entire Dow, according to Hennessy Funds Inc., which runs the dog-theory-based Hennessy Balanced Fund.

This year, however, the results are mixed, partly because the Dow industrials are well on their way to a third year of returns in excess of 20 percent. Five of this year's Dow dogs were beating the average as of Sept. 5, when statistics for this article were compiled, with the other five lagging the index, although only AT&T Corp. was showing less than a double-digit total return.

Does the theory travel? The Money Report applied the Dogs of the Dow criteria to the blue-chip stock averages in Frankfurt, Hong Kong, London, Paris and Tokyo, taking the 10 highest yielders at the end of last year and comparing their total returns with the overall averages through Sept. 5. So far this year, the theory works well in France and Germany, not so well in Britain and Hong Kong, and not at all in Japan, where the overall market is having a miserable year.

For the longer term, opinions vary, but there is some evidence that the dog theory can be a patient investor's best friend. According to Van Kampen American Capital, which offers international unit-investment trusts for the dog stocks in Hong Kong, London and New York, $10,000 investments in the 10 highest yielders of London's Financial Times-Stock Exchange 100 Index and Hong Kong's Hang Seng index in January 1978 would have increased more than 222 percent and 386 percent, respectively, through 1996.

"This is a long-term strategy," said Greg Brown, institutional marketing manager for Payden & Rygel, a Los Angeles mutual fund firm that on July 1 started a dog-strategy fund, the European Growth & Income Fund, encompassing four countries.

Sarah Ketterer, international equity portfolio manager of Hotchkis & Wiley, a unit of Merrill Lynch Capital Management Group, agreed. She said the psychology of investors who opted for high-yield stocks was that they were being "paid to wait."

Ms. Ketterer said Merrill Lynch, which offers several dog-related products, has back-tested the theory and found that it works. From 1977 to 1996, Merrill Lynch found that the Dow Jones industrials offered an annual total return of 14.3 percent, while a dogs approach returned 17.4 percent.

In other countries, the theory worked as well. During the same period, the Hang Seng index was up 21.6 percent a year, but its dogs returned 22.7 percent; the FT-SE 100 was up at a 16.5 percent rate, while its dogs gained 24.1 percent, and in Tokyo, the Nikkei rose 13.4 percent a year, as its dog contingent jumped 20.1 percent.

Using a slightly different approach, Merrill Lynch also said dogs outperformed the DAX 30 in Germany. Ms. Ketterer cited Merrill's senior international quantitative analyst, Markus Barth, who found that of 14 investment styles tracked by the company in the foreign markets, dividend yield provided the greatest excess return for investors in Germany.

From December 1988 to July 1996, a strategy of buying the 12 highest dividend-yielding stocks in the DAX returned an annual return of 12 percent, compared with 5.7 percent for the index.

Michael O'Higgins, the Miami Beach-based author of the 1990 book "Beating the Dow," is the self-styled originator of the dogs theory, although he started off using just five stocks. He said the strategy also worked outside of the United States, although not as well. This might be because U.S. stocks tend to pay higher dividends than those in many overseas markets, he suggested, and because the New York Stock Exchange is one of the world's oldest continuously trading markets.

The Motley Fool, the irreverent personal-finance forum in cyberspace, suggests several dog-like ways to beat the Financial Times 30, a subset of the FT-SE 100 index, in its service on America Online. In addition, the Fool has several variations on the U.S. dog theory, which it calls the Dow Dividend Approach, and these are available on its World Wide Web site.

The Dogs of the Dow is not everyone's pet theory. In a recent issue of the Financial Analysts Journal, two finance professors at Brigham Young University's Marriott School of Management said the Dow dogs beat the overall average, but after adjusting for the portfolio's higher risk, extra transaction costs and unfavorable tax treatment, it did not beat the index by a wide enough margin to be a sensible investment.

STEPHEN THORLEY, one of the authors, said that although he had not tested the theory for foreign stocks, he did not see the strategy working any better abroad.

Stephen Barnes, a financial planner in Phoenix, Arizona, said he had never seen a study on overseas use of the theory, but he added that he was skeptical of the concept anywhere.

"The Financial Analysts Journal piece emboldened it for me," he said, adding that the big problem for investors using the theory was that they were "investing without knowing a lot about the company."

He warned that buying a stock based exclusively on its yield was not a good approach. "I would not put my money in it, and I would not expect my clients to," he added.

Ms. Ketterer said that was not the case for Hotchkis & Wiley.

"We do know the companies," she said, adding, "You should not execute the strategy blindly."

Mr. Barnes suggested that investors who were determined to pursue a dogs strategy outside the United States should get professional assistance rather than trying to go it alone. That is where companies like Payden & Rygel come in.

It selected top-yielding companies from the country indexes kept by Morgan Stanley Capital International. From those lists, it took the companies with the largest capitalizations in Britain, France, Germany and the Netherlands, then picked the 10 highest-yielding stocks from each.

"We wanted to create characteristics most similar to the Dow 30 in the United States," Mr. Brown said. Part of this strategy, he added, "is to find companies which can rebound from any temporary problems they might face."

This Euro Dogs fund is run in conjunction with Scottish Widows, one of Europe's largest money managers. Later this year, it is to open an offshore fund in Dublin to sell directly to European investors.

Before starting the Euro Dogs fund, Payden & Rygel ran a Dogs of the Dow fund in the United States and back-tested its use on foreign stocks.

"It's fairly mechanical," said Chris Orndorff, vice president and portfolio manager. "You buy the 10 highest and hold them for a year and then sell them."

The company does not offer a fund for Asian dogs, however.

"We found it does not work very well in Japan," Mr. Orndorff said, although he added that he did not know why.

In Hong Kong, he said the theory had worked acceptably, but that Britain's handover of control to China in July had made the situation uncertain this year.

The Euro Dogs fund began with $2 million of employee money and has grown to $10 million, mostly in new outside money. Payden & Rygel's U.S. dogs fund, now at $140 million, started with $2 million in employee money.

Guinness Flight Hambro Asset Management also uses a dogs-related strategy. It manages a unit-investment trust of British stocks, which is similar to the Select Ten unit-investment trusts offered by such U.S. brokerage houses as PaineWebber Inc. and Merrill Lynch & Co.

Unit trusts, using the American definition, are portfolios of securities that are held by a trustee until a fixed maturity date, usually without any buying or selling of assets. At maturity, the securities are sold and the proceeds distributed among the unit holders. (Confusingly, a British unit trust is similar to an American mutual fund, although the legal structures are different.)

Chris Burvill of Guinness Flight Hambro Asset Management said the firm's Temple Bar Investment Trust, a closed-end mutual fund, had £320 million ($515 million) in it. It has FT-SE 100 stocks and other shares, and its managers look at yields as well as other factors in picking constituents, he said.

"It's down about 2 percent this year," Mr. Burvill said, recalling that stocks were hit hard last year and are recovering. Of specific dogs, he said Hanson PLC, in the building sector, was doing poorly, but British Steel PLC was in demand and Severn Trent PLC, the water utility, was down but recovering.

DAVID POTTS, of Guinness Flight Hambro's European equities desk, said European stocks in general had been in a recession for the past several years but were turning around. He said the recent downturn against the dollar by European currencies, including the Deutsche mark and French franc, had helped competitiveness in industries such as steel and banking. As these sectors typically offer high dividends, the dollar's strength this year is a dog-owner's gain.

The steel industry in Europe has some show dogs. Thyssen AG in Germany, for example, is having a wonderful year.

"These stocks have had problems with steel pricing but their time has come," Mr. Potts said. "The consolidation of the steel industry is good for them."

On the other hand, in Asia, some dogs are nothing but that. Richard Farrell, manager of Guinness Flight Hambro's Asia equities desk, said that the Hang Seng's Shun Tak Holdings Ltd., for example, was "a real dog — a bad stock." The company, which is viewed in the investment community as not treating shareholders well, has operations in casinos, ferry boats and real estate.

In general, he said, the return of Hong Kong to China has raised questions for investors. Hong Kong Telecom, whose share price has been buffeted, is subject to conflicting measures: It is vulnerable to accounting rate changes while at the same time has good prospects for telecommunications projects in mainland China.

In Japan, according to Hambro, Tonen Corp. is not a Dog of the Dow, it is just a dog. Tonen and all Japanese oil refiners are seeing pricing pressure as deregulation has increased competition in the gasoline retail market, and no easy escape is in sight.

On dividend yield, the company already reduced dividend per share 30 percent over the last two years, and is expected to reduce by a further 15 percent this year.

Hambro also is cautious about Japanese utilities such as Chubu Electric Power Co. and Osaka Gas Co. In Japan, stocks of these kinds of companies are treated more as bonds than equity. Most electric utilities pay an annual per-share dividend of 50 yen (42 cents). But with current payouts averaging about 2.5 percent amid record-low yields in Japan, this is not an attractive time to move into the sector, even though it offers a much richer payout level than the paltry 0.8 percent of the market as a whole.

Hambro is a bit more optimistic about Osaka Gas than Chubu Electric. Osaka's management is relatively flexible and is trying to develop sources of revenue other than the heavily regulated gas-supply business. Osaka Gas is also one of the Japanese companies with the best record at disclosure; it tries hard to communicate bad and good news to investors.

Although he does not like the theory, Mr. Barnes, the Phoenix-based adviser, was willing to look at the stocks that were this year's international dogs. Unsurprisingly for an adviser who prefers fundamental company analysis, he found the offerings to be a mixed bag.

While he did not like Chubu, he described Hong Kong Telecom as a "classic telecommunications company," and good for investors. But among other Hong Kong dogs, he said Hang Seng Bank was the "ugly stepsister" of Hong Kong Shanghai Bank, and was struggling.

"If I was going to invest in a Hong Kong bank, I would want to do so in one with connections to mainland China," Mr. Barnes said. "I would buy Hong Kong Shanghai Bank instead."

With the threat of an interest-rate increase by the Bundesbank in the coming months, he said the German banks were questionable investments. But he said Bayer AG was "tough to go wrong with."

MS. KETTERER of Merrill Lynch explained the middling performance of the British dogs so far in 1997 as the result of an unusual year. She said a select group of stocks in banking, oil, pharmaceuticals and telecommunications were driving the FT-SE 100 index's performance. "Most of the high-yield stocks are not in those categories," she said.

Among the dogs with specific problems, she said the cigarette maker BAT Industries PLC had underperformed this year because of uncertainty over the proposed multibillion-dollar global tobacco settlement in the United States.

Hanson PLC, which Ms. Ketterer said had "deconglomerized itself," faces several problems, including a government tax on its crushed-gravel product.

"Also, the loss of tax break on dividends in the U.K. will impact this company particularly," she added.

As his dogs theory spreads around the world, Mr. O'Higgins is working on a new strategy, which he hopes will offer even better returns. He calls it Beating the Dow: Bonds. Mr. O'Higgins said the question was whether investors should be in stocks at all.

The new theory would have had an average annual return of 24 percent over 29 years. During that period, investors would only have needed stocks for eight years, with the rest of the time spent owning government debt of varying maturities. Mr. O'Higgins plans to start offering the new investment product later this year and will include an offshore fund in the Bahamas.

For further information:

- DOGS OF THE DOW Web site: www.dogsofthedow.com
- GUINNESS FLIGHT HAMBRO ASSET MANAGEMENT LTD Temple Bar Investment Trust. Call 44 171 522 2100, or visit the company's Web site at www.gfhunds.com
- HENNESSY BALANCED FUND, call 1 415 899 1555, or, toll-free in the United States, 1 800 966 4354; or visit the Web site at www.ebank.com/dogs-of-the-dow. The fund invests half its assets in one-year U.S. Treasury bills and the rest in Dow dogs.
- THE MOTLEY FOOL. On America Online from outside Britain, type in UK to get to the AOL British site, click on the finance button, then on the Motley Fool logo. For British AOL members, type FOOLUK. On the World Wide Web, go to www.fool.com
- PAYDEN & RYGEL. European Growth & Income Fund, call 1 213 625 1900, or, toll-free in the United States, 1 800 572 9336; or visit the company's Web site at www.payden.com. Payden & Rygel currently accepts only U.S. citizens as shareholders for its funds
- SELECT TEN defined-asset unit investment trusts are marketed by several companies, including Merrill Lynch & Co. and PaineWebber Inc.
- VAN KAMPEN AMERICAN CAPITAL offers unit trusts built upon the dogs strategy for the British, Hong Kong and U.S. stock markets individually and jointly for the three markets. Its funds are sold only through investment advisers to investors in the United States and its territories. For more information call, toll-free, 1 800 225 2222, or visit the company's Web site at www.vkac.com

When That Pedigree Equity Proves to Be a U.S. Bondholder's Best Friend, Too

By Conrad de Aenlle

OWNERS of fixed-income portfolios anxious to extend the Dogs of the Dow theory from stocks to bonds — or anyone else searching for evidence of order in the universe — will be heartened to learn that the Dow Jones industrial average component with the best-performing bonds this year also has the best-performing stock of the 10 Dow dogs: International Paper Co.

There is less to that distinction than meets the eye, however. The premium of the yield on International Paper's long-dated bonds over those of U.S. Treasury issues of the same maturity — the way corporate bond performance is typically measured — has shrunk this year by all of five basis points, or five-hundredths of a percentage point.

Treasury yields are not far from where they started the year. The result is that total returns for the various bond issues of International Paper range from 4 percent to 6 percent year-to-date, which is pitiful in comparison to the 34 percent return of the stock.

While spreads have not tightened as much on bonds issued by the other 29 Dow components, spreads of corporate bonds generally have tightened further, by about seven basis points, according to Peter Van Dyke, head of taxable fixed income at T. Rowe Price, an American fund-management company.

One reason the returns have been relatively small is that the dogs of the Dow — actually almost all of the 30 — have high pedigrees. The average credit rating of the companies is Aa3 by Moody's Investors Service and AA-minus by Standard & Poor's Corp. They are the two principal bond raters.

"The Dow 30 companies are, in general, high-quality, high-profile issuers," Mr. Van Dyke said. Their creditworthiness "is very high relative to the whole market, so you would not expect the yield-tightening to be as much" as for issues with higher yields to start with, and therefore have more room to shrink.

"The fact that the best tightening was less than the market as a whole illustrates the point," he added.

Which is why it would be of little use to narrow the search for high bond returns to the Dow dogs — the 10 stocks in the benchmark index with the highest dividend yields. These 10, chosen at the end of the year, have been shown to outperform the index the following year.

"Some things just don't translate easily from stocks to bonds," said Kate Johnson, a fund manager at Janus Capital Corp. in Denver. "I do not believe the comparison will have much relevance due to the historically tight level of investment-grade spreads and the high quality of these particular names."

She noted that over the last year, bonds of companies with AAA credit ratings, such as Procter & Gamble Co. and Minnesota Mining and Manufacturing & Co., have experienced the smallest tightening of spreads.

Of the Dow companies with the six highest-yielding bonds — Philip Morris Cos., United Technologies Corp., Travelers Group Inc., International Paper, Union Carbide Corp. and Goodyear Tire & Rubber Co. — two are among the Dow dogs identified at the end of last year, three are not and one, Travelers, was added to the index this year and so does not count. Had it been in the index then, however, it would not have been one of the dogs.

One reason why the Dow components' credit is so good is that most of them do not borrow much. When they do borrow, it is often in the short-term eurodollar market, where rates are low.

"The U.S. corporate sector is not so highly geared in general as it was in the 1970s and 1980s," said Jim Dunsford, head of global fixed income at HSBC Asset Management. "Because corporate cash flows are strong and earnings have been stronger than expected, it has meant a lower requirement of finance and less requirement to issue debt as well."

Over the last several years, Mr. Dunsford noted, the bonds that have shown the best returns are high-yield issues, which used to be called junk bonds.

"Default rates have come down and credit spreads have contracted," he said. "Profits have risen, and there has been a rather stable macroeconomic environment, where the amplitude of fluctuation in growth rates and inflation is low. Highly leveraged companies are able to prosper in that environment."

Even without such an ideal backdrop, he said, "you'd expect higher-yielding bonds to have higher returns."

"In the long run," Mr. Dunsford added, "you should be rewarded for the higher risk you're taking, although there will be greater volatility."

The Dow dogs strategy, by contrast, is a value strategy. Buying stocks with high dividend yields ensures paying relatively cheap prices for otherwise sound companies that are out of favor. It is a safer way to invest than the polar opposite — chasing high-flying companies whose share prices are being propelled higher by strong earnings growth.

Six of the 10 Dow dogs are in cyclic industries — oil, chemicals, paper — that had been slow to take part in the bull market.

One of the others, Philip Morris, may be the one case in which the logic behind the Dow dogs strategy can be applied to bonds as well as stocks. The tobacco and food company had the highest dividend yield of the 30 Dow components at the end of last year, as the stock was held down by concerns over smokers' lawsuits. For the same reason, its bonds now offer the highest yields — 85 basis points over Treasuries.

For bond buyers perusing the list of Dow dogs, Philip Morris "is by far the most interesting, pending resolution of the tobacco settlements," Mr. Van Dyke of T. Rowe Price said.

"Spreads there are wide given the rating of the company, which is extremely strong with massive cash flow," he said.

Of the other nine, he added, "General Motors is probably a good bet to improve as they continue cutting costs and improving productivity."

E-mail address: moneyrep@iht.com

هكذا من الأصل

THE MONEY REPORT

France Telecom Offer Receives Mixed Reviews

By Digby Larner

LESS THAN a week after registration began for France Telecom shares, the issue is reportedly already oversubscribed at least one and a half times, even though the price range is above the level of 160 French francs that analysts previously said would ensure a warm reception.

In pure valuation terms, the higher-than-expected price is still a fair reflection of France Telecom's business strengths, analysts said. Its first half results this year showed 43 percent profit growth, to 8.9 billion francs ($1.5 billion), and it is considered well-protected against future competition.

But the lower price they had hoped for included a discount aimed at calming investor fears over the Socialist government's majority holding in the company following privatization. Investors must wait until Oct. 6 to find out exactly what the shares will cost, but the government said on Monday that it would price them between 170 and 190 francs.

"I would have preferred 160 French francs," said Jeremy Podger, a fund manager with Guiness Flight Asset Management Ltd. in London. "At more than 170 French francs, it's not a tremendous giveaway. My main reservation is that the government has no plans to cede overall control and that shareholder interests may be secondary."

Despite his misgivings, he said France Telecom was still worth buying.

Although the 20 percent public offer is to be augmented by a share swap with Deutsche Telekom AG some time next year, the state will hold at least 62 percent. As a result, 85 percent of the work force will have protected employment rights as civil servants, thereby making it hard for managers to promote efficiency by shedding jobs. Workers plan strikes on Sept. 30 to protest the privatization.

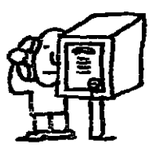
"What investors need is some indication that the business will be run for shareholders and that much of the inherent value will be released," Mr. Podger said. "The government has abandoned a stock-option plan for France Telecom managers that would have tied their interests to those of shareholders."

Many of the investors already leaping into the market have probably done so because previous privatizations have been attractively priced to ensure a successful flotation. But even if they were to attempt a quantitative analysis of the business's market worth, investors would find that the standard valuation methods applied to share offers are inappropriate to big state-owned businesses.

Popular ways for investors to estimate the relative value of share offers include comparing share yields or price/earnings ratios.

In each case, the calculations are straightforward. A share's yield is found by dividing its annual dividend into its market price. The P/E ratio is the ratio of a company's stock price to its earnings per share.

P/E ratios are especially useful because they indicate the stock market's view of the company's growth potential. The higher the figure, the more potential the stock is expected to have. This figure can then be compared to an average P/E ratio for the whole market.



Based on the French government's estimate of France Telecom's worth, its P/E ratio is 13.3. The average P/E ratio for European telecommunications firms is more than 19.

But one analyst, who asked not to be identified, said P/E ratios and yield figures were less useful internationally than domestically. Taxation and regulatory differences between countries distorted the figures, he said. He suggested that a way around this was to compare the earnings of businesses worldwide before interest, tax and depreciation figures were deducted. This strips out variations between markets.

Using this method, he said France Telecom was priced in line with the market average. Deutsche Telekom, which was privatized last year, was slightly overpriced, using this model.

Deborah McCutcheon, a telecommunications analyst with Robert Fleming Securities Ltd. in London, also believed the France Telecom price range was accurate. The valuation she used compared the predicted cash flows of telecom businesses over the next 10 years. Each yearly figure was discounted to include the likely changes in cash values over this period and to get an idea of the business's likely financial strength.

"Efficiency may have to be looked at in a different light," she said. "When we were looking at the proposed France Telecom privatization under the former government, we expected initial job cuts of 5,000 for this year and a further 4,000 per year for several years to come. That may still happen. If it doesn't, we still believe efficiency can be achieved elsewhere."

For further information:

INVESTORS IN FRANCE, who are eligible for various incentives, can call France Telecom toll-free, at 10 10 or 0800 05 10 10. Investors elsewhere in the European Union can call 33 1 40 45 42 33. Individual-investor allotments for other countries have not yet been decided. France Telecom maintains a bilingual web site at www.francetelecom.fr and an English website for North America at www.francetelecom.com

Milken's Nitty-Gritty on the 'Market of Stocks'

JAMES GLASSMAN ON INVESTING

HERE IN gorgeous Santa Monica, four blocks from the Pacific, I am sipping a pink and frothy cancer-fighting breakfast drink with one of the great financial minds of the century, Michael Milken.

Mr. Milken is a prostate-cancer survivor, and he's devoted a good deal of what's left of his fortune — which is considerable, even after paying $1 billion in fines — to finding cures. "My goal," he says, "is to increase investment in cancer, both nonprofit and profit."

He sees biotechnology and computer power as the route to that goal, but he worries that, for biotech companies, the risk-reward ratio is out of whack, and it's hard to raise money.

But we'll get back to cancer and biotech in a little while. Let's move to the nitty-gritty: What does Mike Milken think about the stock market?

First, he says, "I believe it's a market of stocks rather than a stock market." Then, as background for his more complete answer, he launches into a discussion of value and valuation that all small investors should heed.

Mr. Milken's background is accounting, and he's always been interested in the differences among what a balance sheet says a company is worth, what the market says and what the truth is.

Balance sheets aren't much use, he believes, since the assets of a company may reside where conventional accounting can't count them. That idea was a major theme of Mr. Milken's in the 1980s, when, through his firm, Drexel Burnham Lambert, Inc., he raised, among other sums, $26 billion in capital for communications companies like MCI, McCaw, Viacom, TCI, Turner, Cablevision and many others.

"At the time," writes the high-tech author George Gilder, "virtually none of these firms commanded substantial collateral acceptable to a bank, and thus they could have raised billions nowhere else."

Mr. Milken's chosen vehicles were noninvestment-grade, or junk, bonds, which are I.O.U.s that, because of the credit standing of the companies that issue them, are given lower ratings by agencies such as Standard & Poor's (BB or worse). They pay higher interest rates than bonds of more stable companies.

Junk bonds crashed in 1990 as the Milken empire came apart, but they have been exceptionally strong ever since. In fact, there are now 204 mutual funds specializing in high-yield bonds, with total assets of $84 billion.

But back to stocks. "Balance sheets don't mean much," says Mr. Milken, especially today, when the most valuable assets can be intangible. "I don't know how software is carried on the balance sheet. What about management systems? Close to zero. What about relationships with customers? Close to zero."

He cites the example of Citicorp in 1991, when it was down in the dumps, trading at less than one-tenth of its price today. Its net worth on the balance sheet, with all its loans and securities marked to their official market value, was "minus-10 billion or minus-20 billion," says Mr. Milken.

But what about the decades' worth of relationships with clients? The expertise of lending officers? The brand name and the electronic infrastructure? "Those assets," says Mr. Milken, "were worth 40 billion or more."

The market today is filled with companies that, by conventional balance-sheet measures, appear high-priced, but, by a more rational analysis of their intangible assets, are not.

"I actually believe that because of that, the overall market is not overvalued," Mr. Milken says.

Much of the value of a company like Microsoft or Oracle is in "collective intellectual human capital," he says. "One of the risks," he adds, "is the movement of people."

Your capital can walk out the door and go work for someone else. But today, as these companies have grown into huge institutions, the exodus even of key players won't be so damaging, he believes, since knowledge is shared throughout companies through computers.

"I grew up in accounting," he says, "and the idea of exactness in accounting. But it really didn't mean anything. We need to redefine the value of a company by looking to the future."

Clearly, that's going to mean some guesswork. What are Mr. Milken's broader guesses? One is that "the growth of education companies will exceed that of the marketplace."

Any stock tips forthcoming? No. "I am currently in a Nike state — just do it," he says. "Which companies will be successful, I don't know."

He cites a 1967 Merrill Lynch report on the computer industry: "They said computers had a great future, and they were 100 percent right. Then they listed 25 companies that were leaders and potential leaders in the area. Only one of them is a dominant player today: IBM."

About one-quarter of these companies went bankrupt, he says. So, today, "if you buy all the companies in education and biotech, you're not necessarily going to be successful" — even if those fields boom in the next 20 years.

Biotech is important to Mr. Milken not just as an investment but as a lifesaver. He worries that these firms, which are finding the solutions to diseases, are undercapitalized.

Merck & Co., the giant conventional pharmaceutical house, has a market cap (or value, according to its stock price) of $115 billion. The 180 leading biotech companies combined have a market cap of just $75 billion. But those smaller firms spend $7.5 billion on research and development (without which there will be no cancer cures) while Merck spends just $1.7 billion.

The big pharmaceutical houses, spooked by the Clinton health care threat in 1994, when they believed they were painted as villains, have stopped taking risks, Mr. Milken says. They find that "it's cheaper to buy each other and consolidate drugs than to make them."

The biotechs, on the other hand, "are the great destabilizing force," the engine of progress. Mr. Milken knows about destabilization; it was his great contribution to the American economy. Through junk bonds, he financed brave new businesses and terrified the corpocracy — the complacent corporations that dominated the economy — into the restructuring that set the stage for the prosperity we enjoy today.

Washington Post Service

BRIEFCASE

2 German Giants Make U.S. Debut With ADRs

Two giants of German industry are making their debut on the New York Stock Exchange. Hoechst AG, the chemicals and life-science company, began trading its American Depositary Receipts on Wednesday, and is to be followed on Oct. 7 by Veba AG, the electric utility that is also in the chemicals, oil and telecommunications businesses.

German companies have been latecomers to full listings in the United States, mostly because of a reluctance to meet accounting regulations that require more detailed financial disclosure. In 1993, the automaker Daimler-Benz AG became the first company to do so. But the desire to access U.S. capital markets is encouraging more to take the plunge.

Hoechst and Veba merit the attention of global investors, according to analysts who follow them. Peter Blair of Salomon Brothers Inc. in London is one of several who has Hoechst on his "buy" list.

"It's a company in transformation," he said, noting that it was moving out of the low-return commodity chemicals business, and building its profitable pharmaceutical, agro-chemical and animal health divisions. "Hoechst's pharmaceutical business was number five in the world last year, but it is still viewed as a chemicals company, so there's hidden value there."

The restructuring is holding back earnings right now, but the payoff is coming, Mr. Blair said. By the year 2000, he sees Hoechst's earnings per share at 6.20 Deutsche marks ($3.50), more than double last year's 2.80 DM. The ADRs had been trading over-the-counter, where they closed at $43.75 on Tuesday. After moving to the Big Board, they were quoted at $44.31 on Friday.

Analysts are more cautious about Veba. Lueder Schumacher of NatWest Securities said he was positive on Veba's healthy electric-utility business, which accounted for more than half its profits last year, but was concerned about the firm's plans for its chemicals, transport and commodities trading units.

Ricardo Barcelona of ABN Amro Hoare Govett agreed, noting that despite what he perceived as Veba's strategy to exit the chemicals business, it recently took a 36 percent stake in Degussa, a chemical manufacturer.

The company said "the chemical business represents an important part of the Veba portfolio." Earlier this year, Ulrich Hartmann, the Veba chairman, said he was not unhappy with the idea of running a conglomerate. Only "poorly managed conglomerates" need fear corporate raiders, he said.

Veba's telecommunications unit also needs a partner to help it compete in Germany's opening market, Mr. Schumacher said. Cable & Wireless PLC, the British telecom company, pulled out its 22.5 percent stake last year.

Mr. Barcelona has a hold rating on Veba, but Mr. Schumacher has an add recommendation, saying its longer-term story is good, and he has a target price of 114 DM over the next six months, compared with 102.8 DM on Friday. *(IHT)*

U.S. Funds Can't Reap Economies of Scale

By Edward Wyatt

THE U.S. MUTUAL fund industry, whose assets have doubled in the last four years and quadrupled in the last seven, does not enjoy the economies of scale that would allow fund companies to lower the fees charged to investors as assets grow, a new study concluded.

The study, by Lipper Analytical Services, the mutual-fund-tracking company, also found that fund fees in general are at reasonable levels, given the returns investors have received and compared with fees charged for alternative investments like hedge funds and some brokerage accounts.

The mutual fund industry has been criticized by regulators and shareholders who question why fees seem to rise as the industry grows.

Last year, Morningstar Inc., the Chicago-based fund tracking company that competes with Lipper, published data showing management fees collected by new funds have crept up steadily over the last 70 years. Morningstar found that management fees, which are assessed as a percentage of a fund's assets, averaged about 0.75 percent for funds that were started in the last two years. That is about 40 percent above the average fee 50 years ago, the report said.

Those statistics drew the attention of the Securities and Exchange Commission. Barry Barbash, director of the SEC division that oversees mutual funds, told an industry trade group in December that recent increases in management fees seemed "hard to justify."

The Lipper study, however, concluded the aggregate expense figures were skewed by the large number of relatively new funds. These, because of start-up charges, cost more to operate. In addition, funds are increasing their investments outside the United States, where costs are high, and many have substituted annual marketing charges for front-end sales charges, or loads, further increasing fees.

A. Michael Lipper, president of Lipper Analytical, noted that the profit margins of fund management companies were below their peak levels of a few years ago, suggesting the sponsors were not reaping undue benefits from the industry's overall growth. Expenses "are actually declining for older, more successful funds," he said.

Those conclusions deserve a word of caution. Lipper derives most of its sales from mutual-fund companies, which pay it for its research.

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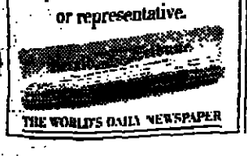

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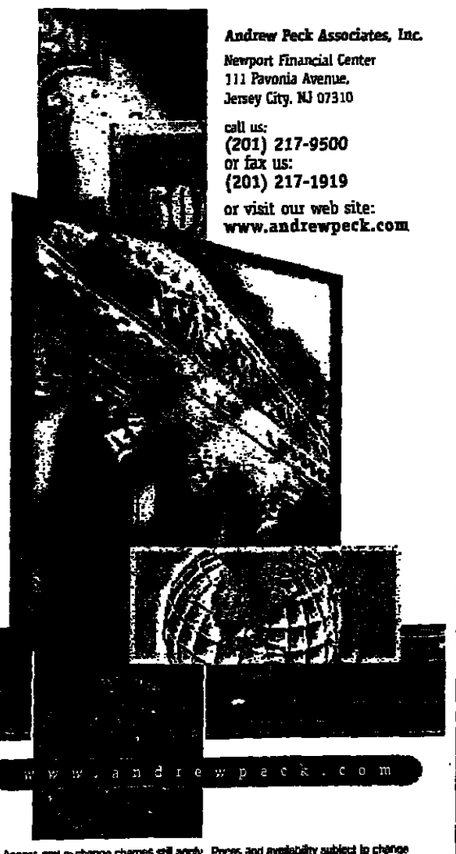

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WORLD ROUNDUP

Sampras Defeats Bjorkman, 7-6,6-4

TENNIS Pete Sampras had the Davis Cup final on his mind when he beat Jonas Bjorkman of Sweden on Friday to reach the semifinals of the $6 million Grand Slam Cup in Munich.

Sampras and his U.S. teammates will face Sweden, whose top player is Bjorkman, at the end of November for tennis's top team trophy.

Sampras blasted the Swede with his serve in the 7-6 (8-6), 6-4 victory, but the match was decided by the way Bjorkman threw away both sets with double faults at key points.

"I'm going to play him again in six weeks in a big match, so I was definitely motivated," Sampras said. "It's been on my mind since the I saw the draw for the tournament." *(AP)*

Huber Upsets Majoli At the Leipzig Open

TENNIS Defending champion Anke Huber, fighting stomach pains, upset the French Open champion Iva Majoli in three hard-fought sets Friday to reach the semifinals of the $450,000 Leipzig Open.

The German will face Jana Novotna of the Czech Republic, the world's second-ranked player. In the other semifinal, top-ranked Martina Hingis was to play Amanda Coetzer of South Africa.

Huber needed two hours, five minutes to beat Majoli, 4-6, 7-6 (7-2), 6-4 in a rematch of last year's final. *(AP)*

Land-Speed Record Set

A British fighter pilot, Andy Green, shattered the world land speed record on Thursday by averaging more than 714 miles per hour (1,142 kilometers per hour) on two blazing runs in the Black Rock Desert in Nevada.

The Thrust SSC team headed by Richard Noble shrugged off the threat of showers, then set a record that was nearly 81 miles per hour faster than the mark Noble set 14 years ago. *(AP)*

U.S. and Europe Even After Weather Delay

4 Matches Decided on 18th Green

By Ian Thomsen
International Herald Tribune

SOTOGRANDE, Spain — The dominant personalities of the first day were mainly European — Nick Faldo, Jose Maria Olazabal, Colin Montgomerie and Bernhard Langer. They were the horses and Seve Ballesteros was atop the stagecoach, cracking them with the whip and urging more speed.

But speed has never been the issue. As the stallions were keeping Europe level at 3-3 with the United States on the

THE RYDER CUP

opening day of the 32d Ryder Cup, the question quickly became one of endurance. Will they have enough left to finish the race late Sunday afternoon?

Two matches were suspended, the ultimate result of a 1 hour, 40 minute delay at the start of play after a terrific storm drenched Valderrama early Friday morning. Faldo and his rookie partner, Lee Westwood, were 2-up and preparing to give Europe the early overall lead when their American opponents, Justin Leonard and Jeff Maggert, called for a suspension — to Faldo's dismay — because of darkness on the 16th green. At the very least, they would like the 40-year-old Faldo to have another long day Saturday. "Personally I think it's great strategy, I'm glad the guys are doing it," said the U.S. non-playing captain, Tom Kite.

That foursomes match was to be resumed Saturday morning, along with the foursomes of Jesper Parnevik and Ignacio Garrido against Tom Lehman and Phil Mickelson, which was all square when it was stopped on the 13th hole.

It would be a mistake to read too much into an opening-day stalemate. If nothing else, the Americans might have made an error in allowing their most dangerous opponents to establish themselves. While Faldo was strong all day, the host team seemed to draw even greater confidence from the afternoon victory of Montgomerie and Langer, who won a symbolically important rematch in 5 and 3 against Tiger Woods and Mark O'Meara, who had beaten them with surprising ease in the morning fourballs.

The biennial Ryder Cup has become perhaps the world's most dramatic tournament because of the larger sense of purpose it brings to golf, forcing individuals to play as teammates for their country or continent. Each match is worth a point. Europe will need only 14 points for a draw to retain possession of the cup it won at Oak Hill in New York; the United States must win a majority of 14 ½ points to win it back outright.

The format of doubles play will continue through Saturday with fourballs matches in the morning (in which each player is responsible for his own ball) and foursomes in the afternoon (in foursomes, only two balls are in play, and partners alternate shots with a single ball). These doubles matches will be followed decisively by 12 singles matches Sunday involving every player from both teams.

The obvious difference on the opening day was in the approach of the two captains. Ballesteros of Spain made one slight change in between the two rounds Friday when he paired up Parnevik with fellow Swede Per-Ulrik Johansson in the morning, and with Ignacio Garrido of Spain in the afternoon. Otherwise Europe's seven most reliable players each played two rounds on Friday. Ian Woosnam was not among them.

Kite, on the other hand, has many weapons, but it remains to be seen whether this is a blessing. Kite felt the freedom to mix and match while employing all of his dozen players on the opening day. He has yet to establish any of his team's star personalities, but then each man is what he is — Ballesteros, the player who won his first major title at 22 but is burnt out at 40, and Kite the one who didn't win the U.S. Open until he was 42 and is still now, at 47, going strong. Will each team take on its captain's personality over the crucial back nine Sunday? Kite will hope so. His strategy is intent on keeping all of his players fresh and involved.

An important pairing for Europe turned out to be the hot-blooded marriage of Costantino Rocca of Italy and Olazabal, the 31-year-old Spaniard who is Seve's second coming. They were sent out in the opening match of each session to lead the way and set the example as Ballesteros wished he himself could still do. Trailing by 2 after 11 holes in the morning, they drew level when Olazabal holed out a 133-yard wedge for eagle at the 14th. He reacted with a brief smile and a shrug. They took their first lead at No. 16 on a short Rocca birdie, and won at the 18th as Davis Love and Phil Mickelson both missed birdie putts.

The Americans earned an important victory in the afternoon when Lee Janzen drilled his approach nice and close and Scott Hoch converted the birdie at the 18th to win their foursomes against Olazabal and Rocca.

Altogether, four matches were decided on the 18th green. In the morning Faldo missed a birdie putt of less than 6 feet — virtually the same putt Mickelson had missed a few minutes earlier — and the team of Fred Couples and Brad Faxon clinched the point when the latter sank his four-footer for par. It was an unfortunate conclusion for Faldo, who had carried Westwood for all but one of the concluding 15 holes. But then Faldo's putting has been miserable for much of the year.

The most important putt of the first round might have been the match-winning 17-footer Parnevik made at the 18th in his Ryder Cup debut. He also birdied the par-5 17th, despite having to play out short from the rough. His victory allowed Europe to finish level after the morning fourballs — a result no one would have guessed after the Swedes had nervously lost two of the first three holes to Tom Lehman and Jim Furyk.

Timothy A. Clary/Agence France-Presse

Tiger Woods cringing after missing a putt on the 2d hole at Valderrama.

For Albert, Now Jobless, What Next?

He Might Be Able To Rebuild a Career, But Not Very Soon

By Marc Fisher
Washington Post Service

WASHINGTON — Marv Albert has been silenced, but in a culture that relishes tales of redemption, the announcer's trademark call of "Yesss!" may return.

Sports agents and analysts said Thursday that even after Albert's decision to plead guilty to a misdemeanor and end his salacious trial for sexual assault, the broadcaster, a fixture on the U.S. sports scene for more than 25 years, still has a chance to resurrect his career.

NBC Sports fired Albert on Thursday; an hour later, he quit his job calling New York Knicks' games for a cable channel. "If there's the proper amount of contrition and some length of a sabbatical, there is the possibility of a return to sportscasting," said Jeffrey Pollack, publisher of SportsBusiness Daily. "Mike Tyson was convicted of rape, did time and was welcomed back to the boxing world."

Albert had been accused of severely biting a longtime lover and forcing her to perform oral sex in a hotel room on Feb. 12. After testimony on Wednesday by a second woman, who described an encounter with Albert during which he had worn women's undergarments, the broadcaster decided Thursday to plead guilty to assault and battery, a misdemeanor, in return for the dropping of a forcible sodomy charge, a felony. He faces a sentence of a year in prison.

Some in the industry believe the 56-year-old Albert is utterly finished. Sportscasters, they say, are different from athletes, politicians and entertainers who have suffered through highly publicized scandals and gone on to prosper.

"If you're like Mike Tyson, the best in the world at a craft, you get a chance to mitigate the damage through superior performance," said Tom George, senior vice president for Advantage International, which represents many sports figures. "Marv Albert is who he is because of his platform with the Knicks. We don't have to have this guy."

The nation's record on forgiveness is contradictory. Some congressmen caught in extramarital affairs have left office; others have been re-elected. Some Hollywood stars who show themselves to be cads or worse shrug off the bad press; others are never seen again.

Nonetheless, veterans of scandal say it is possible to persuade the public to give you a second chance — if you admit your wrongdoing to yourself.

"The first thing you feel is intense sadness and depression and inner-directed anger," said Dick Morris, the adviser to President Bill Clinton who was disgraced last year after a prostitute revealed he had shared administration secrets with her. "If you're lucky, you understand the need to change. If you're unlucky, you harden into a fortress of denial."

Politicians caught in sex scandals used to go away quietly, but as mores have changed, elected officials increasingly seek to survive the storm.

Representative Ken Calvert, Republican of California, was caught with a prostitute, but was re-elected. Representative Barney Frank's constituents forgave the Massachusetts Democrat after he was found living with a male hustler.

The list of famous people who have revived their careers after scandals also includes Richard Berendzen, the former American University president who came back from making threatening calls to a day-care center, and Jerry Springer, the former mayor of Cincinnati whose visits to a prostitute did not preclude his becoming a talk show host.

Athletes and sportscasters are now being required to agree to morals clauses in their contracts. Some of the clauses kick in only if the employee is convicted of a felony or a morals charge; others are far broader, permitting a company to jettison anyone who damages the corporate image.

That may save the company, but the offender is sentenced to be the butt of jokes for years, if not the rest of his life.

Gut Check for Jaguars

By Mike Freeman
New York Times Service

Jacksonville (3-0) at Washington (2-1) The Jaguars got lucky last week against a *Pittsburgh team whose cornerbacks* couldn't cover their own shadows. Washington's defensive coordinator, Mike Nolan, always comes up big in important games. *Prediction: Redskins, 12-9.*

Green Bay (3-1) at Detroit (2-2) What is scary about the Packers is they are a bad kick (in the Philadelphia game) away from being undefeated despite so many

NFL MATCHUPS

injuries to so many of their key players. This one should be clean cut — expect a Green Bay blowout. *Packers, 30-10.*

Tennessee (1-2) at Pittsburgh (1-2) The Steelers have the best wide receiver you have never heard of in Charles Johnson. In his last two games against the Oilers, Johnson has caught eight passes for 242 yards and two touchdowns. *Steelers, 17-13.*

Arizona (1-2) at Tampa Bay (4-0) Once upon a time, Trent Dilfer was the most abused quarterback in the NFL. Now, Dilfer leads the conference with a 105.8 passer rating. *Buccaneers, 24-13.*

Denver (4-0) at Atlanta (0-4) The Broncos are a scoring machine. It's scary, really. At times they look unstoppable, and for now they may be. The Falcons, who may be the worst team in the league, should offer little resistance. *Broncos, 45-10.*

New Orleans (1-3) at New York Giants (1-3) This is one of those games that everyone thinks the Giants should win — and they should — but the way they have been playing it is hard to say. But the difference will be the Giants' running back, Tiki Barber. *Giants, 17-7.*

Seattle (2-2) at Kansas City (3-1) The reason Marty Schottenheimer is one of the best coaches is because he gets his *team to believe what he says. He told* them at the end of last week that Carolina wasn't as good as they were, and the Chiefs went there and spanked the Panthers by three touchdowns. *Chiefs, 21-10.*

Baltimore (3-1) at San Diego (1-3) This will be one of the hardest games the Ravens have all season. Not because the Chargers are good — right now they are an average team at best. But because the rest of the league is beginning to take the Ravens seriously. *Ravens, 30-21.*

Chicago (0-4) at Dallas (2-1) Chicago's coach, Dave Wannstedt, was the Cowboys' assistant head coach/defensive coordinator in 1992 and knows the Dallas personnel well. Still, the Cowboys have too much firepower. *Cowboys, 28-17.*

Jets (2-2) at Cincinnati (1-2) Bill Parcells may scream at his players, but his teams always plays incredibly hard and smart. His trademark is not to lose to teams he should beat. *Jets, 21-14.*

St. Louis (2-2) at Oakland (1-3) In the end, the Raiders will have an easier time scoring than the Rams. *Raiders, 31-20.*

Philadelphia (1-2) at Minnesota (2-2) The Vikings have the conference's best offense (384.5 yards a game), and the Eagles have the third best (346 yards a game). The edge goes to the Eagles' coach, Ray Rhodes. *Eagles, 35-34.*

San Francisco (3-1) at Carolina (2-2) Steve Young gets a concussion early in the season, and everyone wonders if his head will ever clear. Well, it has. *49ers, 28-17.*

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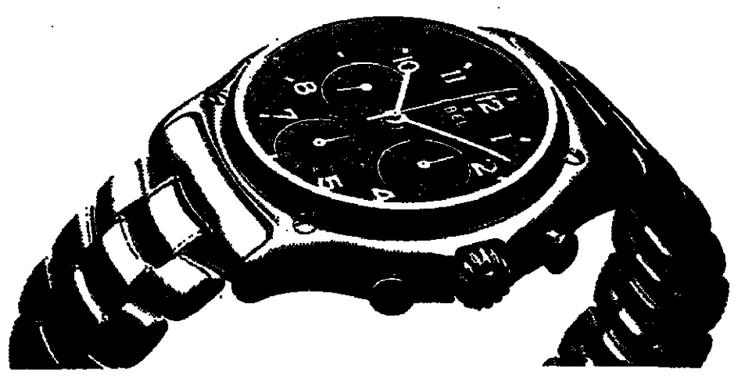
the architects of time

J. Leonard, C. Montgomerie, C. Rocca, and P.U. Johansson, the Ebel Golf Team in Valderrama

While we won't take sides.
we will take the time to wish you all
good luck in Valderrama!



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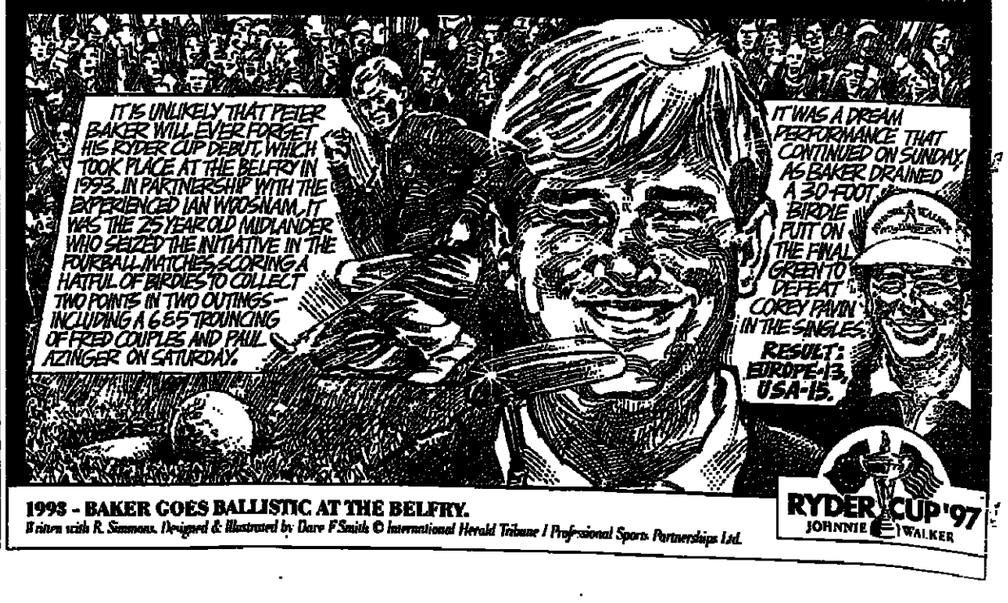


1993 - BAKER GOES BALLISTIC AT THE BELFRY.
Written with R. Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

هكذا من الأصل

SPORTS

Formula One's New View

By Brad Spurgeon
International Herald Tribune

The Luxembourg Grand Prix on Sunday will be one of the season's biggest tests not only for the two remaining contenders for the drivers' title, but also for the employees of Bakersville, Formula One's mobile digital television studio.

While Jacques Villeneuve and Michael Schumacher took a break between the Austrian Grand Prix last Sunday and their arrival Thursday at the Nurburgring track, many of Formula One Television's 200 employees have been working double-time.

Inside the squat, gray studio building, which can be moved from race to race, all is cool, dark, and sterile. Nicknamed after its director, Eddy Baker, its 2,000-square meters are filled with broadcast studios and mixing rooms, floor-to-ceiling banks of televisions and kilometers of cable. It even has its own cafeteria.

The schedule for transplanting the aluminum-and-fiberglass structure that has nearly completed its first season creating Formula One's pay-per-view digital television show — by which viewers can watch many different camera shots simultaneously — was cut in half this week. But the usual two-week interval between races already mandates a stringent schedule for what is officially called the Formula One Communications Broadcast Center.

The process goes like this: Technicians begin dismantling the building after each race, always run on a Sunday, and finish by midday on Tuesday. The structure is then driven to the next site in an 18-truck, 3-kilometer (1.9-mile) convoy. It is reassembled between Friday and Sunday.

From Sunday until Wednesday, about 36 kilometers of fiber-optic cable are installed to connect the cameras to the center. Thursday is test day, and the race weekend follows over the next three days.

This week, the moving crew has worked in virtually round-the-clock shifts, according to Baker, who started out as a tire man on the Brabham team. But he says the effort pays off since the television spectator can now see a race through seven different screens offered by the digital coverage.

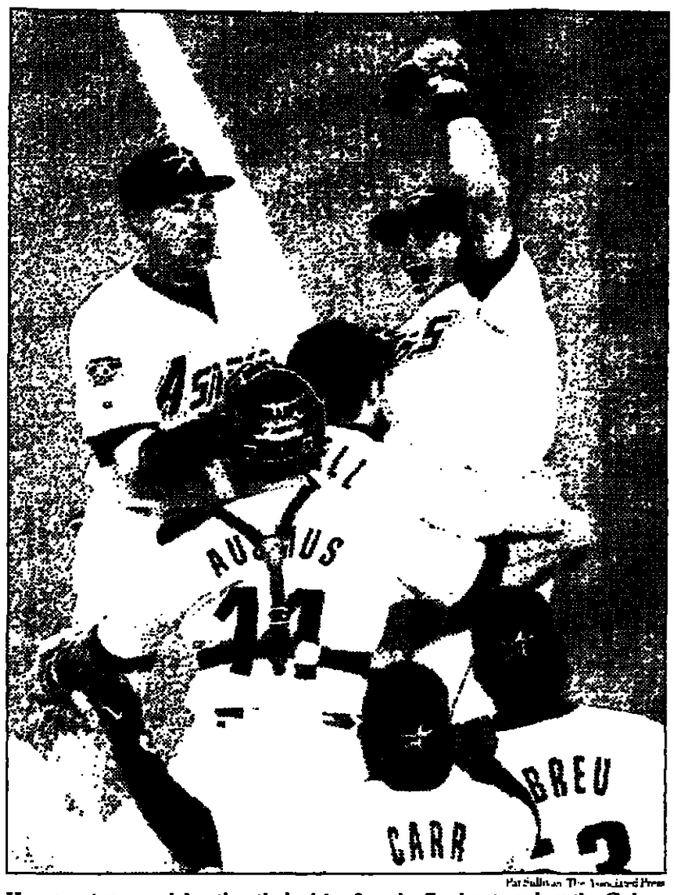
Formula One Television is owned by the Formula One Administration, which in turn is owned by Bernie Ecclestone, who invested £50 million ($81.3 million) to create the studio. The administration is also the proprietor of the sport's television rights. The teams signing a contract give it a percentage of their profits.

Formula One Television's images come from 20 track cameras, 14 on-car cameras, and six pit-lane cameras, compared with 20 to 25 cameras for so-called Hertzian broadcasters such as TF1, RTL, and ITV.

The digital show hasn't changed life for those broadcasters, however, according to Jean-Claude Dassier, director of sports for TF1. Dassier, moreover, is skeptical about the whole multiscreen concept.

But he says he is not worried about the future of his own kind of advertising-driven television that is free to the viewer but offers only one screen.

The next stop for Bakersville is the Japanese Grand Prix. But the transport arrangements will be different this time: It will be packed into 40 containers and fitted into two 747 cargo jets.



Pat Sullivan/The Associated Press

Houston Astros celebrating their title after the final out against the Cubs.

Astros Stumble to Top

As Best of Worst, They Win Division Title

The Associated Press

Someone had to win the National League Central title.

Eleven years to the day after they clinched their last postseason berth, the Houston Astros finally won baseball's worst division, routing the visiting Chicago Cubs, 9-1, on Thursday night at home behind Brad Ausmus's three-run homer in a six-run seventh inning.

Houston, just 82-77, stumbled to the division title despite going 23-28 since Aug. 1. Mike Hampton (15-10) pitched a four-hitter for his seventh complete game.

Baseball Roundup

Dodgers 9, Rockies 5 Los Angeles moved to within two games of San Francisco in the National League West as Todd Zeile homered twice. Hideo Nomo (14-12) limited the host Rockies to three runs and five hits in seven innings.

Expos 3, Marlins 2 Montreal's Pedro Martinez became just the 14th pitcher since 1900 to record 300 strikeouts in a season as the host Expos won in their final at-bat.

Braves 3, Phillies 2 In Philadelphia, the Braves, who beat the Phillies for the 10th time in 12 games this season, improved to a major-league best 100-59. Andruw Jones drove in the go-ahead run with a single in the 10th.

Reds 4, Cardinals 3 Mark McGwire remained stuck at 55 homers, getting two singles in six at-bats in the 14-inning contest. Host St. Louis used nine pinch-hitters, tying a National League record.

In the American League:

Red Sox 3, Tigers 1 In Detroit, Mo Vaughn hit his 35th homer as Boston beat the Tigers. Scott Sanders (6-14), the losing pitcher, gave up three runs and eight hits in 6⅔ innings.

Royals 2, Brewers 1 In Milwaukee, Jeff King and Rod Myers drove in runs and Glendon Rusch got his sixth victory.

Blue Jays 4, Orioles 3 Wearing No. 43 *in honor of Cito Gaston, his former* manager, who was fired Wednesday, Joe Carter became Toronto's career leader with his 203d home run. He connected off Mike Mussina (15-8) in the sixth inning in Toronto.

Yankees 5, Indians 4 David Cone no-hit Cleveland for five innings and Ivan Cruz hit a two-run single in the 10th as visiting New York beat the team that will be its first-round playoff opponent. The defending World Series champions won the season series from the Indians, 6-5.

White Sox 10, Twins 5 In Chicago, *Frank Thomas went 3-for-4 with his* 35th homer, and Magglio Ordonez hit a two-run homer.

Rangers 8, Angels 5 In Anaheim, Lee Stevens homered twice for the second time in three games, and Rusty Greer and Juan Gonzalez also connected.

Stevens homered in the first off Jason Dickson (13-9) and in the ninth off Greg Cadaret.

Bobby Witt (12-12) won for the first time since Aug. 12, allowing five runs and eight hits in 5⅔ innings. John Wetteland finished for his 31st save, striking out Jack Howell with the bases loaded and two out in the ninth.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
x-Baltimore	96	63	.604	—
w-New York	93	66	.585	3
Detroit	79	80	.497	17
Boston	78	81	.491	18
Toronto	73	86	.459	23
CENTRAL DIVISION				
x-Cleveland	84	73	.535	—
Chicago	78	80	.494	6½
Milwaukee	77	81	.487	7½
Kansas City	66	92	.418	18½
Minnesota	66	92	.418	18½
WEST DIVISION				
x-Seattle	89	70	.560	—
Anaheim	83	76	.522	6
Texas	75	84	.472	14
Oakland	63	96	.396	26

x-clinched division title
w-clinched wild card

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
x-Atlanta	100	59	.629	—
w-Florida	92	67	.579	8
New York	86	73	.541	14
Montreal	77	82	.484	23
Philadelphia	65	94	.409	35
CENTRAL DIVISION				
x-Houston	82	77	.516	—
Pittsburgh	78	81	.491	4
Cincinnati	74	85	.465	8
St. Louis	71	88	.447	11
Chicago	67	92	.421	15
WEST DIVISION				
San Francisco	88	71	.553	—
Los Angeles	86	73	.541	2
Colorado	82	77	.516	6
San Diego	75	84	.472	13

w-clinched wild card
x-clinched division title

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Boston	000	000	300	—3	8	1
Detroit	000	000	001	—1	4	0

Avery, Checo (6), Wasdin (7), Gordon (9) and Haselman; S.Sanders, Micell (7), M. Myers (8) and Wallbeck. W—Checo, 1-1. L—S. Sanders, 6-14. Sv—Gordon (11). HR—Boston, M. Vaughn (35).

Kansas City	000	002	000	—2	7	0
Milwaukee	001	000	000	—1	4	0

Rusch, Service (8), Pichardo (9) and MLSweeney; Eldred, Villone (9) and Stinnett. W—Rusch, 6-9. L—Eldred, 13-15. Sv—Pichardo (11). HR—Milwaukee, Dunn (3).

Baltimore	011	000	001	—3	13	1
Toronto	110	011	00x	—4	11	2

Mussina, Orosco (8) and Holles, Webster (6); Carpenter, Quantrill (8), Plesac (9), Escobar (9) and B. Santiago. W—Carpenter, 3-7. L—Mussina, 15-8. Sv—Escobar (14). HRs—Baltimore, R. Alomar (13). Toronto, Carter (21), Samuel (3).

New York	010	010	000	3—5	9	2
Cleveland	000	100	100	2—4	6	2

(10 innings):Cone, Banks (6), Lloyd (8), Mendoza (9), Stanton (10) and Girardi, Posada (8); Hershiser, Assenmacher (7), M. Jackson (8), Mesa (9), Shuey (10), Weathers (10) and Borders, Diaz (8). W—Mendoza, 8-6. L—Shuey, 4-2. Sv—Stanton (3). HRs—New York, Freider (12), Cleveland, Manto (2).

Minnesota	000	200	210	—5	7	2
Chicago	221	004	01x	—10	16	0

Hawkins, Robertson (3), Naulty (6) and D. Miller; Valentine (7); Drabek, Foulke (7) and Fabregas. W—Drabek, 12-11. L—Hawkins, 6-12. HRs—Minnesota, Coomer 2 (13), M. Cordova (15). Chicago, F. Thomas (35), M. Ordonez (4).

Texas	420	000	101	—8	11	0
Anaheim	320	000	000	—5	11	1

Witt, Gunderson (6), Santana (7), Wetteland (9) and I. Rodriguez; Dickson, Chavez (7), Cadaret (8) and Turner. W—Witt, 12-12. L—Dickson, 13-9. Sv—Wetteland (31). HRs—Texas, Greer (26). Ju.Gonzalez (41); L. Stevens 2 (20). Anaheim, Salmon (33).

NATIONAL LEAGUE

Atlanta	002	000	000	1—3	9	1
Philadelphia	000	001	001	0—2	7	0

(10 innings):Glavine, Wohlers (8), Cather (9), Clontz (10) and J. Lopez; Mi.Grace, Spradlin (9), Winston (10), Botallico (10) and Lieberthal, Estalella (10). W—Cather, 2-4. L—Spradlin, 3-8. Sv—Clontz (1). HRs—Atlanta, Lockhart (6). Philadelphia, Hudler (4).

Florida	010	000	010	—2	6	1
Montreal	000	001	011	—3	4	0

A.Fernandez, Cook (7), Powell (8), Nen (9) and Zaun; P.J.Martinez, D. Veres (8), Kline (8) and Fletcher, Widger (8). W—Kline, 1-3. L—Nen, 9-3. HR—Montreal, Segui (21).

Chicago	000	000	100	—1	4	2
Houston	001	100	61x	—9	9	1

Je.Gonzalez, D. Stevens (7), R. Tatis (7), Morel (7) and M.Hubbard; Hampton and Ausmus. W—Hampton, 15-10. L—Je.Gonzalez, 11-9. HR—Houston, Ausmus (4).

Los Angeles	010	340	010	—9	13	0
Colorado	000	010	220	—5	7	0

Nomo, Osuna (8), Te.Worrell (9) and Piazza; Astacio, Hutton (5), Minchey (8), Leskanic (9) and Manwaring, Je.Reed (8). W—Nomo, 14-12. L—Astacio, 12-10. HRs—Los Angeles, Karros (30). Zeile 2 (31), D. Lewis (1).

Cincinnati	001	000	200	000	01—4	9 0
St. Louis	001	100	001	000	00—3	9 1

14 innings

Tomko, Remlinger (8), Belinda (9), Sullivan (11), G. White (14) and Fordyce; J. Oliver (9), Taubensee (10); Beltran, Bautista (8), Painter (10), Eckersley (12), C. King (13), Petkovsek (14) and Difelice, Lampkin (8), Marrero (10). W—Sullivan, 5-3. L—Petkovsek, 4-7. Sv—G. White (1). HR—St. Louis, Painter (5).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	77	48	2	.616	—
Yokohama	67	56	—	.545	9.0
Hiroshima	63	60	—	.512	13.0
Yomiuri	58	70	—	.453	20.5
Hanshin	56	70	1	.444	21.5
Chunichi	55	72	1	.433	23.0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	71	51	3	.582	—
Orix	63	56	3	.529	6.5
Kintetsu	63	61	4	.508	9.0
Daiei	59	65	1	.476	13.0
Nippon Ham	60	68	1	.469	14.0
Lotte	53	68	2	.438	17.5

FRIDAY'S RESULTS

CENTRAL LEAGUE

Yakult 15, Hanshin 3
Yomiuri 10, Chunichi 4

PACIFIC LEAGUE

Orix 4, Lotte 1
Daiei 6, Kintetsu 2
Nippon Ham vs. Seibu, postponed, rain

BASKETBALL

EuroLeague

GROUP A

O. Piraeus, Gre., 86, CSKA Moscow, Rus., 74
M. Tel Aviv, Isr., 87, Real Madrid, Sp., 82
Limoges, Fr., 62, Efes Pilsen, Turkey, 77

STANDINGS: CSKA Moscow 5 points; Maccabi Tel Aviv 5; Olympiakos 4; Efes Pilsen Istanbul 3; Real Madrid 2; Limoges 2.

GROUP B

Benetton, Italy, 76, Porto, Portugal, 67
Croatia Split, 74, PAOK Salonika, Greece, 76

STANDINGS: PAOK Salonika 4 points; Benetton Treviso 4; Estudiantes Madrid 3; Croatia Split 3; Turk Telecom Ankara 2; Porto 2.

GROUP C

H. Jerusalem, Isr. 80, Ulker Istanbul, Tur., 74
Barcelona 87, Partizan Belgrade, Yu., 71

STANDINGS: Barcelona 4 points; Kinder Bologna 3; Pau Orthez 3; Hapoel Jerusalem 3; Partizan Belgrade 3; Ulker Istanbul 2.

GROUP D

Alba Berlin, Ger., 79, PSG Racing, Fr., 71, O.T.

STANDINGS: Teamsystem Bologna 4 points; AEK Athens 4; Cibona Zagreb 3; Alba Berlin 3; Olimpija Ljubljana 2; Paris St Germain 2.

CRICKET

ZIMBABWE VS. NEW ZEALAND
FRIDAY, IN BULAWAYO, ZIMBABWE
2D AND FINAL TEST, 2D DAY
Zimbabwe: 461 all out
New Zealand: 23-0

CYCLING

Tour of Spain

Placings in 199.4 kms 20th stage from Los Angeles de San Rafael to Avila:
1. Laurent Jalabert, Fr., ONCE 5 h. 17 m. 9 s.
2. Sergei Ivanov, Russia, TVM
3. Laurent Dufaux, Switzerland, Lotus
4. Enrico Zaini, Italy, Asics all s.t.
5. Jose Maria Jimenez, Sp., Banesto at 2 s.
6. Alex Zuelle, Switzerland, ONCE
7. Fernando Escartin, Spain, Kelme
8. Pascal Richard, Switzerland, Casino
9. Laurent Brochard, France, Lotus all s.t.
10. Roberto Heras, Spain, Kelme at 7 s.

OVERALL: 1. Zuelle, 86 h. 54 m. 38 s.; 2. Escartin at 2:46; 3. Dufaux, 3:33; 4. Zaini, 5:05; 5. Roberto Heras, Spain, Kelme 5:29; 6. Daniel Clavero, Spain, Estepona 6:37; 7. Marcos Serrano, Spain, Kelme 7:04; 8. Jalabert, 9:12; 9. Gianni Faresin, Italy, Mapei 10:56; 10. Yvon Ledanois, France, GAN 11:27.

GOLF

Ryder Cup

FRIDAY, IN VALDERRAMA, SPAIN
FOURBALLS

Jose Maria Olazabal, Spain/Costantino Rocca, Italy, def. Davis Love/Phil Mickelson, U.S., by 1 hole.
Tiger Woods/Mark O'Meara, U.S., def. Colin Montgomerie, Britain/Bernhard Langer, Germany, 3 and 2.
Fred Couples/Brad Faxon, U.S., def. Nick Faldo/Lee Westwood, Britain, by 1 hole.
Jesper Parnevik/Per-Ulrik Johansson, Sweden, def. Tom Lehman/Jim Furyk, U.S., by 1 hole.

FOURSOMES

Montgomerie/Langer def. O'Meara/Woods 5 and 3.
Scott Hoch/Lee Janzen def. Olazabal/Rocca by 1 hole.
Parnevik/Ignacio Garrido, Spain, all square after 12 holes with Lehman/Mickelson, match suspended, bad light, to be completed on Saturday.
Faldo/Westwood 2 up on Justin Leonard/Jeff Maggert on 16th green, match suspended, bad light, to be completed on Saturday.

EUROPE 3, UNITED STATES 3

SOCCER

FRENCH FIRST DIVISION
Lyon 1, Lens 3
Bordeaux 2, Marseille 0

DUTCH FIRST DIVISION
Sparta Rotterdam 4 Utrecht 2

MAJOR LEAGUE SOCCER
Columbus 1, New York-New Jersey 0
New England 2, Dallas 1

RUGBY LEAGUE

AUSTRALIA TOUR
TEST MATCH
FRIDAY, IN AUCKLAND, NEW ZEALAND
New Zealand 30, Australia 12

TENNIS

GRAND SLAM CUP
FRIDAY, IN MUNICH, GERMANY
QUARTERFINALS

Pete Sampras (1), U.S., def. Jonas Bjorkman, Sweden (8), 7-6 (8-6), 6-4.
Greg Rusedski (4), Britain, def. Yevgeny Kafelnikov, Russia, 6-7 (5-7), 6-3, 6-1.

ROMANIAN OPEN
FRIDAY, IN BUCHAREST, ROMANIA
QUARTERFINALS

Andrea Gaudenzi, Italy, def. Nicolas Lapentti, Ecuador, 6-2, 6-4.
Kevin Goellner (7), Germany, def. Carlos Costa, Spain, 6-2, 7-6 (7-5).
Francisco Clavet, Spain, def. Javier Sanchez, Spain, 4-6, 6-2, 6-3.
Richard Fromberg, Australia, beat Albert Portas (4) 6-4, 6-3.

TRANSITIONS

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
SEATTLE—Traded F Shawn Kemp to Cleveland Cavaliers in 3-way deal that sent G Terrell Brandon and F Tyrone Hill to Milwaukee, with SuperSonics getting F Vin Baker and Cavaliers also getting G Sherman Douglas.
UTAH—Agreed to terms with C Greg Ostertag on multiyear contract extension.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
CHICAGO—Signed OL Casey Wiegmann. Put WR Marcus Robinson on injured reserve.
GREEN BAY—Waived TE Tyrone Davis. Claimed DB Bucky Brooks off waivers from Jacksonville Jaguars.
JACKSONVILLE—Re-signed RB Randy Jordan.
N.Y. JETS—Re-signed OT Siupeli Malamala. Waived OL Casey Wiegmann.
PHILADELPHIA—Waived RB-KR Derrick Witherspoon.
SAN DIEGO—Signed K Greg Davis.
SEATTLE—Re-signed DE Antonio Edwards.

HOCKEY
CHICAGO—Signed C Trent Yawney.

THE WEEK AHEAD

Saturday, Sept. 27

AUSTRALIAN RULES FOOTBALL, Melbourne, Australia — AFL Grand Final.

CRICKET, Bulawayo, Zimbabwe — Zimbabwe vs. New Zealand, 1st test, to Sept. 29.

GOLF, men: Sotogrande, Spain — Ryder Cup, to Sept. 28; Endicott, New York — B.C. Open, to Sept. 28; Nasu, Japan — Gene Sarazen Jun Classic, to Sept. 28; Milton, Florida — Emerald Coast Classic, seniors, to Sept. 28. Women: Kurokawa, Japan — Miyagi TV Cup Ladies Open, to Sept. 28; Charlotte, North Carolina — Fieldcrest Cannon Classic, to Sept. 28.

SOCCER, Tashkent, Uzbekistan — World Cup qualifying, Uzbekistan vs. United Arab Emirates.

TENNIS, men: Munich, Germany — Grand Slam Cup, to Sept. 28; Bucharest, Romania — Romanian Open, to Sept. 28; Toulouse, France — Toulouse Grand Prix, to Sept. 28. Women: Surabaya, Indonesia — women, Wismilak International, to Sept. 28.

VOLLEYBALL, Brno, Zlin, Czech Republic — women, European Championship, to Oct. 5.

Sunday, Sept. 28

ATHLETICS, Berlin, Germany — Berlin Marathon.

AUTO RACING, Nurburgring, Germany — Formula One, Luxembourg Grand Prix; Fontana, California — CART, Indy-car, Marlboro 500.

MOTORCYCLE RACING, Sentul, Indonesia — Indonesian Grand Prix.

RUGBY LEAGUE, Sydney, Australia — ARL, Grand Final.

SOCCER, Tokyo — World Cup qualifying, Japan vs. South Korea.

Monday, Sept 29

TENNIS, men: Basel, Switzerland — Swiss Indoors, to Oct. 5; Palermo, Sicily — Sicilian International, to Oct. 5; Beijing, China — Beijing Open, to Oct. 5.

Tuesday, Sept. 30

BASKETBALL, EuroLeague, various sites — CSKA Moscow, Russia vs. Maccabi Tel Aviv, Israel; Partizan Belgrade, Yugoslavia vs. Hapoel Jerusalem, Israel.

SOCCER, Various sites — UEFA Cup, 1round, return leg: Orebro, Sweden vs. Rotor Volgograd, Russia; 1860 Munich, Germany vs. Jazz Port, Finland; Vfl Bochum, Germany vs. Trabzonspor, Turkey; Grasshoppers, Switzerland vs. Croatia Zagreb, Croatia; Sporting Braga, Portugal vs. Vitesse Arnhem, Netherlands; Hapoel Petah-Tivka, Israel vs. Rapid Vienna, Austria; Neuchatel Xamax, Switzerland vs. Inter Milan, Italy; Liverpool, England vs. Celtic, Scotland; Metz, France vs. Excelsior Mouscron, Belgium; Lillestrom, Norway vs. Twente Enschede, Netherlands; Club Bruges, Belgium vs. Beitar Jerusalem, Israel; Leicester City, England vs. Atletico Madrid, Spain; Nantes, France vs. Aarhus, Denmark; Anorthosis Famagusta, Cyprus vs. Karlsruhe SC, Germany; Ferencvarns, Hungary vs. OFI Iraklabtwe vs. New Zealand, 1st test, to Sept. 29.

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Wednesday, Oct. 1

BASKETBALL, Men's EuroLeague championship, various sites — PAOK Salonika, Greece vs. Estudiantes Madrid, Spain; Teamsystem Bologna, Italy vs. AEK Athens, Greece.

CRICKET, Bulawayo — Zimbabwe vs. New Zealand, 1st one-day international; Quetta, Pakistan — President's XI vs. South Africa.

SOCCER, Champions Cup, 2d round, various sites — Borussia Dortmund, Germany vs. Sparta Prague, Czech Republic; Parma, Italy vs. Galatasaray, Turkey; Feyenoord, Netherlands vs. FC Kosice, Slovakia; Manchester United, England vs. Juventus, Italy; Barcelona, Spain vs. PSV Eindhoven, Netherlands, 1845; Dynamo Kiev, Ukraine vs. Newcastle United, England; Porto, Portugal vs. Real Madrid, Spain; Rosenborg Trondheim, Norway vs. Olympiakos Piraeus, Greece; IFK Gothenburg, Sweden vs. Bayern Munich, Germany; Besiktas, Turkey vs. Paris St Germain Lierse, Belgium vs. Sporting Lisbon, Portugal; Monaco, France vs. Bayer Leverkusen, Germany. Friendly International: Tunisia vs. Australia.

Thursday, Oct. 2

BASKETBALL, EuroLeague, various sites — Olympiakos, Greece vs. Limoges, France; Real Madrid, Spain vs. Efes Pilsen Istanbul, Turkey; Porto, Portugal vs. Croatia Split, Croatia; Benetton Treviso, Italy vs. Ankara, Turkey; Barcelona, Spain vs. Kinder Bologna, Italy; Ulker Istanbul, Turkey vs. Pau, France; Alba Berlin, Germany vs. Cibona Zagreb, Croatia; Paris St Germain, France vs. SCT Olimpija, Slovenia.

GOLF, men: Berlin — German Masters, to Oct. 5; Pine Mountain, Georgia — Buick Challenge, to Oct. 5; Kasuya, Japan — Japan Open, to Oct. 5. Women: Kutztown, Pennsylvania — Core States Betsy King Classic, to Oct. 5.

SOCCER, Cup Winners Cup, 1st round, return leg, various sites — National Bucharest, Romania vs. Kocaelispor, Turkey; Sturm Graz, Austria vs. Apoel Nicosia, Cyprus; VfB Stuttgart, Germany vs. Vestmannaeyjar, Iceland; Shakhtar Donetsk, Ukraine vs. Beovista, Portugal; Crvena Zvezda, Red Star Belgrade, Yugoslavia vs. Germinal Ekeren, Belgium; Primorje Ajdovscina, Slovenia vs. AIK Stockholm, Sweden; Dinaburg Daugavpils, Latvia vs. AEK Athens, Greece; Lucerne, Switzerland vs. Slavia Prague, Czech Republic; Roda JC Kerkrade, Netherlands vs. Hapoel Beersheba, Israel; Tromso, Norway vs. NK Zagreb, Croatia; Ararat Yerevan, Armenia vs. FC Copenhagen, Denmark; Lokomotiv Moscow, Russia vs. Belshyna Bobruisk, Belarus; Slovan Bratislava, Slovakia vs. Chelsea, England; Kilmarnock, Scotland vs. Nice, France; BVSC Budapest, Hungary vs. Real Betis, Spain; Legia Warsaw, Poland vs. Vicenza, Italy.

Friday, Oct. 3

GOLF, men: Clemmons, North Carolina — Vantage Championship, seniors, to Oct. 5. Women: Ichihara, Japan — Kosaido Ladies, to Oct. 5.

SOCCER, Washington D.C. — World Cup qualifying, United States vs. Jamaica.

Saturday, Oct. 4

ATHLETICS, Kosice, Slovakia — world half-marathon championships.

TENNIS, Hertogenbosch, Netherlands — Federation Cup final, Netherlands vs. France, to Oct. 5.

Sunday, Oct. 5

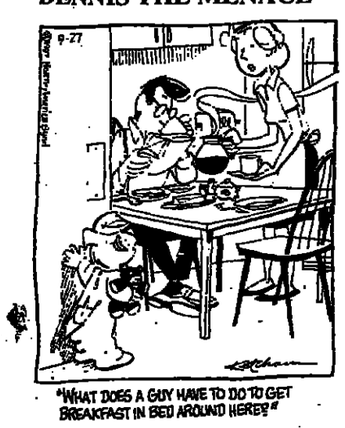
ATHLETICS, Istanbul, Turkey — Eurasia Marathon; Minneapolis — U.S. Masters Marathon.

CYCLING, Paris-Tours, France — World Cup, Paris-Tours Classic.

HORSE RACING, Longchamp, France — Arc de Triomphe.

SOCCER, Mexico City — World Cup qualifying, Mexico vs. El Salvador.

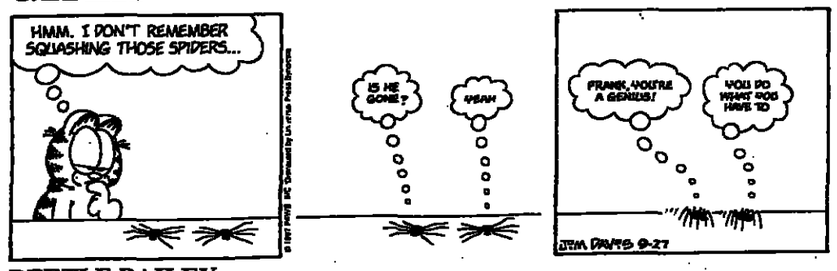
DENNIS THE MENACE



PEANUTS

CALVIN AND HOBBES

GARFIELD



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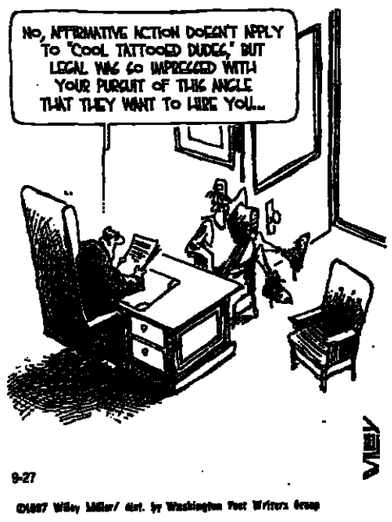

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME
by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BOGUM
VABER
CLUSKE
INMERV

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A ○○○○○○

(Answers Monday)

Yesterday's Jumbles: AGATE BILGE MULISH LANCER
Answer: What they heard around the fireplace on a cold night — A CHILLING TALE

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DAVE BARRY

Covering the Stock Market

MIAMI — Perhaps you wonder how come we here in the news media always make such a big deal about the Stock Market. The answer is simple: We don't understand it. We have an old saying in journalism: "If you don't understand something, it must be important."

This is also why we media people get so excited about science. In our scientific educations, we got as far as the part in biology class where they gave us a razor and a dead frog, and told us to find the pancreas. Right then we started thinking two words, and those words were: "English major." So we quit studying science, which is why we do not begin to understand — to pick one of many examples — how electricity works.

> **'If you don't understand something, it must be important.'**

We believe that electricity EXISTS, because the electric company keeps sending us bills for it, but we cannot figure out how it travels inside wires. We have looked long and hard at wires (some of us have tried blowing into them) and we cannot begin to figure out how the electrons, or amperes, or whatever, manage to squeeze through there into the TV set, nor how, once inside, they manage to form themselves into complex discernible images such as the Pillsbury Doughboy.

We in the media write our stories on computers, but since computers contain both electricity and "modems," we have no idea how they work. If you observe us professional journalists covering a news event, you'll see that we divide our time as follows:

1 percent: Getting information.

6 percent: Writing stories.

93 percent: Trying to get the computer to send the story back to the newspaper by pressing keys pretty much at random with growing panic until we have sent our stories to some destination — possibly the Kremlin; possibly the radio room of the Titanic — but not to our newspapers. Then we call our newspapers and beg for help from the Computer People, who are technically competent people, the kind of people who always found the frog pancreas; they understand "modems," and whatever they tell us to do to our computers, including wave a Magic Bone over the keyboard, we do it.

We in the media are especially impressed with space. We cannot comprehend how anybody could get a rocket to land on another planet; many of us cannot consistently parallel park. This is why we got so excited about the recent Pathfinder mission, which day after day resulted in front-page headlines like:

ROCK FOUND ON MARS!

And:

ANOTHER ROCK FOUND ON MARS!

And:

MARS APPARENTLY COVERED WITH ROCKS!

We in the media believe that the Mars rocks are important because scientists tell us so. We will cheerfully print, without question, pretty much anything that scientists tell us about space ("STANFORD — Scientists here announced today that, using a powerful new type of telescope that uses amperes connected to a 'modem,' they have located six previously unknown galaxies shaped like all the major characters on 'Gilligan's Island' except Ginger").

My point is that this same principle applies to media coverage of the Stock Market. We in the media, as a rule, are not good with financial matters. Some veteran journalists have not yet turned in their expense accounts for the Civil War. So as a group, we don't really have a solid handle on (1) What the Stock Market is; (2) Why it goes up and down; (3) Which is good, "Bull" or "Bear"; (4) Whether "points" means the same thing as "dollars," and if so, why the hell don't they just call them "dollars"?; (5) Who "Alan Greenspan" is; and (6) Whether he is the same as "Dow Jones."

□

Because we don't understand these things, we have naturally concluded that the Stock Market is extremely important, and whenever it does anything, we write front-page stories filled with quotes from financial experts. But I suspect that these experts sometimes like to yank the media's chain. Consider the following quotation, which actually appeared in a Washington Post story back in August explaining why the Stock Market went down:

" 'For Coke, an icon of the market, to show feet of clay is upsetting,' said Barton Biggs, global equity strategist at Morgan Stanley, Dean Witter, Discover & Co."

I have read this sentence at least 35 times, and every time I have more questions, including:

What kind of job is "global equity strategist"?

What kind of name is "Barton Biggs"?

Since when does Coke have feet?

These are just some of the issues that lead me to believe that if we were to call "Morgan Stanley, Dean Witter, Discover & Co.," we would find ourselves talking to the very same scientists who are always "discovering" new galaxies and showing us pictures of "Mars rocks." That's right: I think that science AND the Stock Market could be part of some giant hoax, and I intend to transmit this information to the newspaper, just as soon as I can locate the Magic Bone.

1997 The Miami Herald
Distributed by Tribune Media Services, Inc.

Disney Conquers Another World: Design

International Herald Tribune

MARY BLUME

PARIS — Race and gender studies are old hat. The mighty oak in the groves of academe is now Disney studies, which have grown from the scholarly sapling "Inside the Mouse," published in 1995, to a seminar last winter sponsored by the College Art Association which included papers on "The South as a Regional Sub-Text in Disney's American Spectacle" and "Adam and Eve . . . and Goofy: Walt Disney World as the Garden of Eden."

Jean Baudrillard has found that the world of Disney conceals the emptiness of the United States, Umberto Eco has said that his favorite Disneyland rides are the Pirates of the Caribbean and the Haunted Mansion, while the architect Charles Moore, in a 1984 version of political correctness, criticized the Haunted Mansion "for the smug and supercilious treatment it bestows on ghosts, just because they are dead."

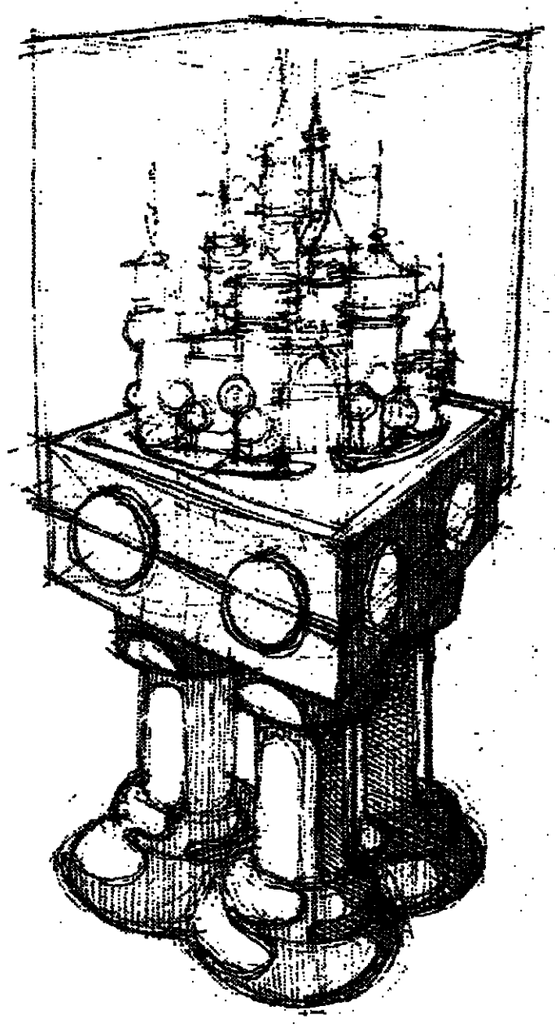
The latest contribution to the canon is a study of Disney architecture, "Designing Disney's Theme Parks," edited by Karal Ann Marling, published by Flammarion and compiled to accompany a traveling exhibition which opened in June in Montreal and will move on to Minneapolis, Los Angeles and New York, where it will end in January 1999.

In recent years corporate Disney has used such world-famous architects as Frank Gehry, Michael Graves, Robert Venturi, Peter Eisenman and Philip Johnson but Walt himself never trusted blueprints, working from models, storyboards and drawings and favoring, instead of architects, the collaboration of animators and designers to whom in 1952 he gave the enduring title of Imagineers.

What he was doing in his theme parks was producing his cartoon images in three dimensions. In addition to his films, his television show was an inspiration in providing both a narrative and in enabling visitors to switch from one "land" to another, say from Fantasyland to Adventureland, as easily as they hopped channels. The result was so internationally persuasive that in 1980 when Tokyo Disneyland was being planned, the Japanese refused a mini-Ginza for their shopping area, opting for Main Street instead.

In planning his first theme park, in California, Disney used many motion picture techniques such as forced perspective, long shots and close-ups and, above all, a technique from silent film comedies called the wienie. A wienie is the tall visual marker that promises to reward the visitor who walks toward it.

Marling says that the Sleeping Beauty castle at Disneyland Paris is the ultimate wienie. Others are a paddle wheel steamer, or the clock tower in



Design for a Mickey Mouse display case in California.

Mickey's Toontown, or the 180-foot-tall (55-meter-tall) sphere, reminiscent of the 1939 World's Fair, at EPCOT in Florida. EPCOT itself, conceived by Disney as a utopian city (Experimental Prototype Community of Tomorrow) but only a theme park in his lifetime, was according to a colleague, "Walt's target. It was the real wienie."

Only recently has Disney's Florida community, which the writer Russ Rymer describes as an experiment in redemptive urban design, come into being. Now called Celebration, it offers predesigned houses in models labeled Kensington Classical or Ashland Coastal whose exterior clapboard is made of synthetic concrete, whose columns are fiberglass, and whose purchasers must conform to strict rules in order to return to what a sales film calls a time of innocence: "Big shady trees and front porches. You know, where playtime doesn't end until mama calls you in." Demand for the first 470 dwellings outstripped supply by nearly three to one.

Walt went to the great wienie in the sky 31 years ago but Celebration is simply another version of the ideas that informed the creation of his theme parks. He was certainly the first person to realize what we all know today: that marketing and packaging are as important as, or more important than, invention, that fantasy has replaced imagination and that memory has been replaced by nostalgia.

In 1952, when he was working on his first Disneyland, Walt was inspired by the miniature train on which he steamed through his backyard, vague childhood memories of Marceline, Missouri, visits to various fairs and fun parks, and to Henry Ford's Greenfield Village, part utopian community and part trip down memory lane to a cozy neighborly world before the advent of factories, assembly lines and Ford cars.

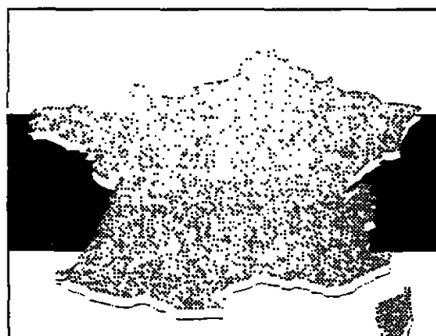
Later he would be influenced by films other than his own: Doris Day's "Calamity Jane" inspired Frontierland, "The African Queen" helped with the Jungle Cruise. And there was the city of Los Angeles itself, with its restaurant in the form of an eponymous brown derby, its frankfurter-shaped hot dog stands: a place that in 1931 Edmund Wilson had described as having a "mixturesque beauty," where "every prospect appeases and the goofs hang like ripe fruits."

From all this Disney fashioned a coherent and deeply profitable world which functions on an unimagined international scale. Whether in Tokyo or Anaheim, California, the old fashioned storefronts of Main Street have potent appeal, Marling explains: They may just be selling souvenir schlock or familiar products but "'We've been around a long time,' whispered the gilded lettering on the windows, the simulated cast-iron pediments above the doorways. . . . Main Street was a strip mall all dressed up in a scintillating Victorian costume that made the products you shopped for at home . . . seem intriguing all over again."

What Disney and his Imagineers succeeded in building was a howdy-do, sarsaparilla-drinking, white picket fence awfully nice world. Even the Tomorrowland of 1995 in Orlando, Florida, Marling says, harks back to a 1920s or 1930s vision of the future when "tomorrow was better than today." His yesterday was, of course, also better than today. Today was always a problem.

As architecture, one of the Imagineers of Disneyland Paris says, what's new about architecture Disney-style is that nobody thinks about architecture: They think about fantasies and dreams. In the theme parks, Marling writes, "You are emboldened and soothed by clean streets, smiling faces, happy colors and the implicit promise that here, at least, everything will be O.K." As Disney himself said, "I want them, when they leave, to have smiles on their faces."

Cities don't smile and neither does serious architecture, Marling says: "Great art never tells you to 'have a nice day.'" Disney architecture has less to do with style than with concept: His genius was to invent a feel-good world of control and reassurance. The last word sums up the worldwide impact of the Disney approach and gives Marling the satisfying subtitle to her book: "The Architecture of Reassurance."



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PEOPLE

A CELEBRITY guest list, led by **President Nelson Mandela**, departed Friday from Pretoria for an overnight trip on the newly revamped Blue Train, South Africa's luxury train. Joining Mandela and his companion, **Graca Machel**, on the trip were the musician **Quincy Jones**, actress **Mia Farrow**, model **Naomi Campbell**, the retired **Archbishop Desmond Tutu** and the Pakistani cricketer turned politician **Imran Khan**, accompanied by his wife, **Jemima**. They were expected to arrive in Cape Town on Saturday afternoon. The train, refurbished at a cost of 70 million rand ($15 million) has 18 carriages and accommodates 84 passengers with 27 staff members to look after them.

Agence France-Presse

Mia Farrow and her children, with Naomi Campbell in the background, preparing to board the Blue Train.

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David Brinkley's 54-year career as a broadcast journalist, which he has been winding down for a year, will come to a close on Sunday morning, Brinkley and ABC News have announced. Brinkley, 76, will give a final commentary for "This Week," which had been called "This Week With David Brinkley" for 15 years until he retired as the program's anchor on Nov. 10. Since then he has appeared as a weekly commentator. Brinkley's career began in radio in 1943 as a White House correspondent for NBC News. He has covered every president since **Franklin D. Roosevelt**. In 1956, he and **Chet Huntley** started "The Huntley-Brinkley Report" on NBC. Brinkley joined ABC News in 1981.

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Seiji Ozawa's 25th season with the Boston Symphony Orchestra started with bad timing, shrill horns and a hurried exit — all before he made it to Symphony Hall. The conductor got to the opening-night stage a half-hour late after getting stuck behind an accident on the Massachusetts Turnpike. The maestro pulled some strings to get out of the jam: A cellular phone call got him a state police escort. "The lesson is, if you're in a traffic jam, have Seiji Ozawa with you," said **R. Willis Leith Jr.**, the chairman of the orchestra.

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Just blocks apart from each other, former first ladies **Nancy Reagan** and **Rosalynn Carter** collected honors at awards dinners in Washington organized by groups promoting global democracy and mental health treatment. Reagan, in a rare East Coast appearance, accepted the International Republican Institute's 1997 Freedom Award on behalf of her husband, **Ronald Reagan**, who suffers from Alzheimer's disease and is rarely seen in public. At about the same time, Carter was honored by the National Mental Health Association for her decades of work on mental health. Commending Carter's compassion for those with mental illnesses and their families, **Tipper Gore**, the vice president's wife, presented her with the "Into the Light" award.

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Japanese turned out in droves at music stores on Friday as **Elton John's** tribute to **Diana, Princess of Wales**, went on sale. Music stores in Tokyo were inundated with presale orders for the "Candle in the Wind 1997" CD, and thousands of people went out in drizzling rain to get their copies. Meanwhile, in London, music industry officials said that counterfeit versions of the recording have been found in at least five countries as criminals milk the wave of public sympathy after her death. **Nic Garnett**, director general of the International Federation of the Phonographic Industry, said the counterfeiters were "nothing more than parasites." Polygram and John had tried to ensure that all proceeds went to the charity fund set up in Diana's memory, he said.

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Linda Ronstadt has put her lavender San Francisco mansion on the market. For $5.85 million, the buyer will get seven bedrooms, an au pair suite, an office, stained glass windows and dumbwaiter. Ronstadt, who bought the house in 1987, has returned to Tucson, Arizona, where she was born and grew up.

Masters of Arts: 20 to Receive National Medals

By Jacqueline Trescott
Washington Post Service

WASHINGTON — President Bill Clinton has selected 20 individuals, including the actors Angela Lansbury and Jason Robards, the philanthropist Paul Mellon and the authors Studs Terkel and Maxine Hong Kingston, as recipients of this year's National Medals in the arts and humanities.

The medals, which are the highest citations in the United States for cultural achievement, are also being awarded to individuals who have had long and influential careers in varied music forms. Betty Carter, the jazz vocalist and mentor; James Levine, the pianist, conductor and artistic director of the Metropolitan Opera; Tito Puente, the dean of Latin percussionists; Doc Watson, the guitarist and bluegrass virtuoso, and Don Henley, a founder of the Eagles rock band, are among the honorees. Henley was cited for his environmental work and philanthropy.

The presidential medals have a broad reach into artistic and scholarly areas, and the recipients come from varied fields, such as Daniel Urban Kiley, the landscape architect, and Luis Leal, a literary scholar and professor of Chicano studies in Santa Barbara, California. The award is quite different from the Kennedy Center Honors, a private, revenue-generating endeavor. But the White House is involved in both, and occasionally an artistic figure shows up on both lists. This year the dancer Edward Villella, the artistic director of the Miami City Ballet, will be feted twice.

"The individuals we honor today have enlightened us with their vision, uplifted us with their art, music, dance and theater, and strengthened America with their extraordinary contributions to our culture," said Jane Alexander, the chairman of the National Endowment for the Arts.

Also named for the arts medal were sculptor Louise Bourgeois; Agnes Gund, the president of the Museum of Modern Art in New York, and the MacDowell Colony, an arts organization in New Hampshire. The humanities award is also going to Nina Archabal, a historian and director of the Minnesota Historical Society; David A. Berry, a national advocate for improved humanities education in community colleges; Richard J. Franke, a business executive, creator of the annual Chicago Humanities Festival and the chairman of Americans United to Save the Arts and Humanities; William Friday, president emeritus of the University of North Carolina, and Martin E. Marty, a noted scholar of American religious history. Mellon, 90, is one of the country's best-known donors to the arts and humanities as well as a major art collector. The president and Hillary Rodham Clinton will present the medals on Monday.